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FBIS-EAS-95-105 CONTENTS *1 June 1995*

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NORTHEAST ASIA

Japan

U.S. Reply on Auto Talks Request Discussed *[KYODO]* 1
MITI, MOFA Differ in Views on Auto Issue *[NIHON KEIZAI SHIMBUN 31 May]* 1
MOFA: G-7 To Avoid Auto Issues at Halifax *[KYODO]* 2
JAMA To Hold Meeting With APIA 5 Jun *[NIHON KEIZAI SHIMBUN 31 May]* 2
Tokyo, EU To Verify Auto Market Barriers *[MAINICHI SHIMBUN 31 May]* 2
Tokyo Agrees to EU Joining Auto Settlement *[KYODO]* 3
Nissan, Toyota Cut Prices of Cars Made Overseas *[KYODO]* 3
U.S. Sanctions To Cost Industry 1.4 Trillion Yen *[KYODO]* 3
'Senior' U.S. Official Comments on Auto Talks *[KYODO]* 4
U.S. Official's Auto Remark 'Slight Turnaround' *[KYODO]* 4
Expert Views Auto Trade Dispute, Urges Reform *[YOMIURI SHIMBUN 29 May]* 4
Minister Kamei To Press on With Aviation Talks *[ASAHI SHIMBUN 30 May]* 5
Editorial Urges 'Clear Stance' on Aviation *[NIHON KEIZAI SHIMBUN 29 May]* 6
Tokyo To Host Patent Talks With U.S. in Jun *[ASAHI SHIMBUN 30 May]* 6
Analyst Views Importance of U.S. Alliance *[RONZA Jun]* 7
Information Infrastructure Compared With U.S. *[NIHON KEIZAI SHIMBUN 30 May]* 8
Tokyo Offers Sakhalin Quake Victims Treatment *[KYODO]* 9

- Officials React to Yeltsin's Quake Aid Remark 9
  - Murayama Rejects Allegation *[KYODO]* 9
  - Igarashi Doubts Alleged Remarks *[Tokyo TV]* 9
- Hashimoto Asks Keating To Upgrade Supercomputer *[KYODO]* 10
- DPRK Official's Letter to Tokyo on Rice *[SANKEI SHIMBUN 30 May]* 11
- Reporter Laments 'Imprudent' Approach to DPRK *[CHUO KORON Jun]* 11
- DPRK's Intention To Resume Talks Discussed *[NIHON KEIZAI SHIMBUN 1 Jun]* 16
- APEC Trade Liberalization Guidelines Viewed *[YOMIURI SHIMBUN 29 May]* 16
- Kono Comments on Malaysia's EAEC Proposal *[KYODO]* 17
- Tokyo 'Closely' Watching PRC Military Moves *[KYODO]* 17
- DA Obtains Chinese ICBM Test Launch Report *[SANKEI SHIMBUN 31 May]* 17
- Delay Seen in Export-Import Bank Loans to PRC *[NIHON KEIZAI SHIMBUN 1 Jun]* 18
- MOC To Introduce CALS to Public Works *[NIHON KEIZAI SHIMBUN 22 May]* 18
- Authority To Indict Officials on Bid Rigging *[KYODO]* 19
- BOJ on Building Healthy Financial System *[KYODO]* 19
- Tokyo City Considers Bailout Plan Withdrawal *[KYODO]* 20
- Bank Rescue Agency Takes on Bad Loans *[KYODO]* 21
- Merger of Mitsubishi, Tokyo Banks Viewed *[BUNGEI SHUNJU Jun]* 21
- Yamaguchi 'Ready To Testify' on Financial Scam *[KYODO]* 25
- Murayama Aide Linked to Ex-Credit Union Boss *[KYODO]* 25
- Murayama Urges Resolution on Aggression *[KYODO]* 25
- Resolution Talks Fail; Final Decision by 2 Jun *[KYODO]* 26
- Sakigake's Tanaka Urges 'No-War' Resolution *[KYODO]* 26
- Murayama Dismisses Call for Resignation *[KYODO]* 27
- Ruling Parties Expect New Accord Around 10 Jun *[KYODO]* 27
- LDP Ready To 'Assume Power' After Election *[KYODO]* 28
- Funada Interviewed on Political Realignment *[NIHON KEIZAI SHIMBUN 28 May]* 28
- SDPJ's Fate, New Party Formation Discussed *[SANKEI SHIMBUN 28 May]* 29

North Korea

- Paper Calls South Korean Model Reactors 'Bogus' *[KCNA]* 30
- Offer To Supply 'Nonexistent' Reactors Denounced *[Pyongyang Radio]* 30
- Envoy: Reactor Talks With U.S. at Deadlock *[ITAR-TASS]* 31
- Chondoists Urge South To Release Religionists *[KCNA]* 32
- Kim Yong-sam Criticized on Religionists Issue *[KCNA]* 32

Foreign Groups' Statements on Kwangju Incident 32
  Peru, India, Mali *[KCNA]* 32
  Bangladeshi Organizations *[KCNA]* 33
Paper Praises ROK Workers 'Mounting Struggle' *[KCNA]* 33
ROK Students Protest 'Suppression' of Labor *[KCNA]* 34
Foreign Groups Urge Release of ROK Prisoners *[KCNA]* 34
Kim Yong-sam Denounced for Blocking 15 Aug Event *[KCNA]* 34
Leaders Laud ROK People's Sovereignty Struggle *[KCNA]* 35
South Korea Denounced for 'Exports of Orphans' *[Pyongyang Radio]* 35
Kim Yong-sam Criticized as 'Pro-American Stooge' *[KCNA]* 36
ROK Protests Against 'Crimes' of U.S. Soldiers *[KCNA]* 36
Demonstrations, 'Struggle' of South Koreans Noted *[KCNA]* 36
Article Criticizes U.S. for Arms Exports *[KCNA]* 37
U.S. Motivation for Korean War Memorial Viewed *[KCNA]* 37
'Over 210 Cases' of U.S. Aerial Espionage in May *[KCNA]* 37
U.S. Publication Cited on Simulated Exercise *[Pyongyang Radio]* 37
Commentary Decries U.S. 'Anti-Cuban Maneuvers' *[Pyongyang Radio]* 38
Swedish Magazine Supports North on ROK Issues *[KCNA]* 39
Vice Premier Kim Yong-nam Visits Iran *[Pyongyang Radio]* 39
Russian Trade Union Group Meets Yi In-mo *[KCNA]* 39
Russian Party Officials Attend Embassy Meeting *[Pyongyang Radio]* 39
Foreign Officials Marks Anniversary of Chongnyon *[KCNA]* 40
Indian Supports North Position in Reactor Talks *[Pyongyang Radio]* 40
Syrian Envoy Pays Visit to Yang Hyong-sop *[KCNA]* 40
Ethiopian Embassy Hosts Party on Anniversary *[KCNA]* 41
Hydroelectric Power Plants Fulfill May Plans *[Pyongyang Radio]* 41
Wiwon Power Plant Overfulfills Generation Goal *[Pyongyang Radio]* 41
Hydraulic Power Plants Report Generation Records *[Pyongyang Radio]* 41
Foreign Crewmen Said To Praise Kim Chong-il *[KCNA* 42
Kim Chong-il Sends Thanks to Units, Workers *[KCNA]* 42
Russian Publisher on Kim Il-song, Kim Chong-il *[KCNA]* 42
Kim Il-song's Reminiscences Disseminated Abroad *[KCNA]* 43
Editorial Praises Kim Il-song's Work Method *[KCNA]* 43
UN, Iranian Delegations Visit Kim's Statue *[KCNA]* 44
Loyalty Between Children, Kim Chong-il Reported *[KCNA]* 44
Leaders Mark International Children's Day *[KCNA]* 45
KCNA Reports on Talented Children in Nation 45
Article Views Creation of 'Loyal' Party Cells *[NODONG SINMUN 10 May]* 46
Paper Stresses Upholding Single-Hearted Unity *[MINJU CHOSON 11 May]* 48

South Korea

U.S., North Hold Working-Level Meeting 1 Jun *[YONHAP]* 50
Prosecution Decides To Indict 3 U.S. Soldiers *[YONHAP]* 51
U.S. Military on Restricting Suspected Soldiers *[YONHAP]* 51
Stanton Group Allegedly Refines Oil in North *[YONHAP]* 51
Boat Incident Due to Lack of Maritime 'Guidance' *[THE KOREA TIMES 1 Jun]* 52
Seoul Reconfirms Position on Rice Aid to North *[YONHAP]* 52
Christian Groups Promise Education Aid to North *[YONHAP]* 53
Pyongyang Said Relocating 1 Million Residents *[Seoul Radio]* 53
Supplies Sent to Sakhalin Earthquake Victims *[YONHAP]* 53
Trade Ministry Says Exports, Imports Hit High *[YONHAP]* 53
Apr Balance of Overall Payments Falls Into Red *[YONHAP]* 54
Government To 'No Longer Intervene' in Market *[THE KOREA TIMES 1 Jun]* 54
NSO: Economy in Expansion Stage of Cycle *[YONHAP]* 55
Defense Ministry Submits 1996 Budget Draft *[YONHAP]* 56
ULD Forms Lineup, Appoints Han Floor Leader *[YONHAP]* 56
Minister Offers To Talk With Telecom Union *[YONHAP]* 56
Seoul Subway Trade Union Reports Labor Dispute *[YONHAP]* 57

SOUTHEAST ASIA

Burma

Resistance Official Criticizes U.S. Leadership *[THE SUNDAY POST 28 May]* 58
Thai Counterfeiters Receive Life Sentences *[Rangoon TV]* 59

Brunei, Malaysia & Singapore

Malaysia

Minister: Claim to Island 'Indisputable' *[BERITA HARIAN 1 Jun]* 59

Singapore

Foreign Ministry, PRC To Consult Annually *[Singapore Radio]* 60
Business Daily Details Investments in PRC *[BUSINESS TIMES 10 May]* 60

Indonesia

Medical Contingent Returns From Bosnia *[Jakarta Radio]* 67
East Timor Troops Probe Flight of Refugees *[AFP]* 67
East Timor Governor Discusses Human Rights *[MERDEKA 27 May]* 68
Human Rights Group To Open Office in Dili *[Jakarta Radio]* 69

Vietnam

Le Duc Anh, W.B. Richardson Discuss MIA's *[VNA]* 70
Exhibition Opens on 'Anti-U.S. Resistance War' *[VNA]* 70
Activities Mark 20th Anniversary of 'Liberation' *[VNA]* 70
Vo Van Kiet on Official Visit to Luxembourg 70
  Delegation Named *[Hanoi Radio]* 70
  Reception Held Upon Arrival *[Hanoi Radio]* 71
  Welcomed by Prime Minister Juncker *[Hanoi Radio]* 72
  Discusses Ties With Juncker *[Hanoi Radio]* 72
  Signs Cooperation Accord *[Hanoi International]* 73
  Ends Visit, Arrives Denmark *[Hanoi Radio]* 73
Article Reviews Relations With Luxembourg *[Hanoi Radio]* 75
Radio Welcomes Full ASEAN Membership *[Hanoi International]* 75
Le Duc Anh Visits Cao Bang Province *[VNA]* 75
Vietnam Aviation Corporation Established *[VNA]* 76

Japan

U.S. Reply on Auto Talks Request Discussed

OW0106064295 Tokyo KYODO in English 0628 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — Japan is not expecting a quick answer from the United States to its request for urgent talks on the bilateral auto trade row, the top trade bureaucrat said Thursday [1 June].

The U.S. has not replied to the request and "I do not have the impression" that Trade Representative Mickey Kantor will answer by the end of the day on Friday, said Tomio Tsutsumi, vice minister of the Ministry of International Trade and Industry (MITI).

He told a regular news conference he has no information indicating such a quick response.

MITI chief Ryutaro Hashimoto wrote Kantor late Tuesday seeking talks by June 15 in Geneva and, according to a copy seen by KYODO NEWS SERVICE, asking for a reply by the end of this week.

Japan says threatened U.S. sanctions on Japanese luxury cars are already hurting the nation's automakers and wants urgent talks at the World Trade Organization (WTO) on Tokyo's complaint that the 6 billion dollars worth of punitive tariffs violate the global trade referee's trade rules.

Sources in Geneva said the U.S. is willing to meet before June 16 in Geneva, although Kantor originally sought talks June 20-21 in Washington, but Tsutsumi declined to comment on the apparent compromise offer, noting that it has not officially been presented.

Tsutsumi said he was not familiar with a report that Kantor wants to meet his counterpart to discuss auto trade on June 20, possibly in Washington.

The reported comment has been interpreted to mean that the U.S. is seeking to hold a lower-level meeting in Geneva by June 15 to satisfy Japanese demands, and to hold minister-level talks on its own turf and at a time suitable to the U.S.

The issue of timing has become critical because the Japanese and U.S. auto-talk requests straddle a June 15 meeting of Japanese Prime Minister Tomiichi Murayama and U.S. President Bill Clinton and a June 15-17 summit in Canada of the Group of Seven (G-7) industrial powers.

Whether Murayama and Clinton will discuss autos one-on-one remains undecided, Tsutsumi said, repeating that the auto issue is not expected to dominate their talks if the issue comes up.

He said Japan welcomes European Union and Australian requests to join Japan-U.S. talks as observers but said it is Washington's decision as the recipient of the WTO complaint whether to admit them.

Tsutsumi also praised the surprise overnight foreign exchange interventions by Japanese, U.S. and European central banks that lifted the dollar up by more than two yen against the Japanese currency at one point and boosted it against the German mark.

The intervention was concrete proof of the resolve expressed by G-7 and other international gatherings for currency stability, he said, adding that major nations will continue to act appropriately in the currency markets.

MITI, MOFA Differ in Views on Auto Issue

OW0106115095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 May 95 Morning Edition p 5

[FBIS Translated Text] There has emerged a slight gap between the Ministry of Foreign Affairs [MOFA] and the Ministry of International Trade and Industry [MITI] concerning how to handle auto issues at the Japan-U.S. summit scheduled for mid-June. Both ministries agree that this issue should not be included in the summit agenda. However, while the MOFA wants to dilute the confrontational color, some MITI officials regard the talks "as a good opportunity to urge the United States to carry on consultations at the World Trade Organization (WTO)." Even if the government should bring up the auto issue, how far can it go? Thus, difficulties can be anticipated in intergovernmental coordination.

Takakazu Kuriyama, ambassador to the United States, and Warren Christopher, U.S. secretary of state, have agreed that views should be exchanged from an extensive standpoint but that no talks should be held on the auto issue. According to a senior MOFA official, it has been strongly voiced at the ministry that "the auto issue should never be allowed to affect overall bilateral relations." At the 30 May upper house Foreign Affairs Committee session, Foreign Minister Yohei Kono stated that there is no possibility that the issue will be brought up at the industrialized nations summit (Halifax Summit) or at the Japan-U.S. summit.

Both MITI and MOFA agree that the auto issue should not be included in the official agenda. However, MITI Minister Ryutaro Hashimoto observes that top leaders of our two countries will inevitably touch on the issue, saying: "Since it is an issue of great concern, it will be very difficult (not to bring it up)." At a recent OECD ministerial council meeting, the attendees supported Japan's position criticizing the United States for unilaterally deciding to impose sanctions. Encouraged by this support, some MITI officials have said that "an offensive should be launched against the United States by taking advantage of talks or of the Halifax Summit."

We should not further deteriorate the Japan-U.S. relationship by driving the United States into a corner. However, we should not miss this opportunity — the summit — of making a breakthrough in this impasse. Regarding the issue of how to handle the auto problems, therefore, intergovernment coordination is likely to continue until the last moment before the summit.

MOFA: G-7 To Avoid Auto Issues at Halifax

OW0106113495 Tokyo KYODO in English 1051 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — Leaders of seven major economic powers will not wade into the Japan-U.S. auto trade battle when they meet this month for a summit in Canada, a senior Foreign Ministry official said Thursday [1 June].

The Group of Seven (G-7) summit in Halifax, Nova Scotia, "is a place for coordinating" positions of the leading nations, "not for taking up bilateral issues," the official told reporters on condition of anonymity.

The June 15-17 summit also will not seek to overhaul the currency system despite violent fluctuations that the G-7 agrees are undesirable and do not reflect economic fundamentals, he said.

"We can't really do anything but policy coordination and coordinated interventions," the official said a day after major central banks surprised the markets with dollar-buying interventions that buoyed the U.S. currency against the yen and the German mark.

Russian President Boris Yeltsin will likely make his presence known at the gathering, but the G-7 will not invite Russia to participate fully in debating the forum's economic declaration, he said.

The official gave little indication of what details will emerge on reforming international financial institutions, one of the major topics, saying the G-7 should lead global discussion on such reform but noting that the G-7 alone cannot impose decisions on such bodies as the International Monetary Fund.

The leaders of Britain, Canada, France, Germany, Italy, Japan and the United States will stress economic growth to curb unemployment, he said, but mentioned only deregulation and boosting the global information infrastructure.

JAMA To Hold Meeting With APIA 5 Jun

OW0106065495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 May 95 Evening Edition p 3

[FBIS Translated Text] Though the Japan-U.S. auto talks are bogged down, the Japanese Automobile Manufacturers Association [JAMA] has decided that its separate segment-by-segment meetings with the U.S. Auto Parts Industry Association [APIA] should start as scheduled on 5 June. Iwao Okijima, senior managing director of Toyota Motor Corporation, said, "Stepping up voluntary plans for purchase of U.S.-made auto parts goes against the faith in free trade," but added that the association has come to the opinion that the expanded use of U.S.-made parts can be a major factor in reducing costs, given the current sharp rise in the yen. Still, at the public hearings in the United States, the association will speak against the U.S. Government plan to impose sanctions against Japan. The association appears to be seeking somehow to avoid worsening relationships at the private-sector level, by separating "business" actions from "political" actions.

The JAMA and the APIA will hold the fifth segment-by-segment business meetings in San Francisco for three days from 5 June. Eleven major auto manufacturers in Japan, including Toyota and Nissan Motor Company, and about 60 part manufacturers from the United States will participate in the meetings with the aim of making contributions to expanded procurement of U.S.-made parts. Given the difficult situation in the Japan-U.S. auto talks, the JAMA for a while thought about suspending the event, but has decided in favor of holding it in the belief that "politics and business should be separated," according to Toyota's Managing Director Okijima.

Tokyo, EU To Verify Auto Market Barriers

OW3105130795 Tokyo MAINICHI SHIMBUN in Japanese 31 May 95 Morning Edition p 9

[FBIS Translated Text] In connection with the Japan-U.S. auto trade dispute, the European Union (EU) has pointed out that the "Japanese auto market is closed." In response, the government decided on 30 May to hold negotiations with the EU to verify barriers to the Japanese auto market. This has been disclosed by a Ministry of International Trade and Industry source. The government decided to do so in a bid to deal with a resolution adopted by the EU Foreign Ministerial Council that calls on Japan to open its markets. The government plans to remove any barriers, including the current inspection system that keeps foreign firms and goods from gaining access to the Japanese market, if they are found as a result of the verification negotiations. The government decided to hold the negotiations with the EU with the aim of exposing the unfair manner in which the United States has dealt with Japan over the auto trade dispute.

Tokyo Agrees to EU Joining Auto Settlement

OW3105234395 Tokyo KYODO in English 2326 GMT 31 May 95

[FBIS Transcribed Text] Geneva, May 31 KYODO — The European Union (EU) is seeking participation in the consultations between Japan and the United States on their bilateral automotive trade dispute, EU trade officials said Wednesday [31 May].

The EU has notified the World Trade Organization's dispute settlement board of its desire, they said.

The EU can take part in the consultations if Japan and the U.S. agree, and the Japanese Government has already given agreement, according to Japanese trade sources here.

Following the contentious talks on the trade of cars and car parts, Washington announced early this month it will impose punitive import tariffs on 13 models of Japanese luxury cars. Consultations on the U.S. move are expected to be held in mid-June.

The Japanese sources said the EU has said the U.S. unilateral plan contradicts with the world trade body's dispute solving rules, while also claiming the Japanese market is closed.

In addition, it has said that if Tokyo and Washington ever settle the dispute, the results should be applied for Japan's all trade partners.

Nissan, Toyota Cut Prices of Cars Made Overseas

OW0106113395 Tokyo KYODO in English 1058 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — Nissan Motor Co. and Toyota Motor Corp. on Thursday [1 June] lowered prices of cars they produce at their overseas plants and import into Japan in response to the yen's recent appreciation.

The price reduction is aimed at competing with imported cars, said officials of the two leading Japanese automakers.

Nissan carried out a uniform cut of 100,000 yen in prices of its Mistral sports utility vehicle and Primera 5 door passenger car.

Nissan produces the Mistral at Nissan Motor Iberica S.A. of Spain and the Primera at Nissan Motor Manufacturing (U.K.) Ltd.

Toyota lowered the prices of its Scepter station wagon and Scepter Coupe by an average 147,000 yen. Both are built at Toyota Motor Manufacturing U.S.A. Inc.

Nissan introduced the Primera in October 1991 at a suggested retail price of 2,515,000 yen for delivery in Tokyo. The price was lowered in February 1994 and raised thereafter. With the latest price cut, the model is now available for 2,193,000 yen.

Toyota put the 3-liter Scepter station wagon on sale in August 1992 at a suggested retail price of 3,354,000 yen for delivery in Tokyo. The automaker lowered the price to 3,201,000 yen in October 1994 and implemented an additional cut of 208,000 yen this time to bring the price to 2,993,000 yen.

U.S. Sanctions To Cost Industry 1.4 Trillion Yen

OW3105140395 Tokyo KYODO in English 1344 GMT 31 May 95

[FBIS Transcribed Text] Tokyo, May 31 KYODO — U.S. sanctions against Japanese luxury car imports over deadlocked automobile trade negotiations will cost Japanese car industry at least 1.4 trillion yen, a major commercial bank estimated Wednesday [31 May].

Asahi Bank, in a report released Wednesday, said Japanese automakers will suffer immense damage because the profit margin on luxury car exports on which penalty tariffs will be imposed is high, ranging from 20 to 25 percent of retail prices.

The report, citing a 1990 government survey, said the damage suffered by the automobile industry will have severe adverse effects on other industries.

Combined output by other industries will drop 2.84 percentage points if the nation's auto production declines 1.0 percentage point, the report said.

The U.S. administration of President Bill Clinton announced earlier this month a preliminary list of 13 Japanese luxury car models on which 100 percent penalty tariffs will be imposed, retroactive to may 20, unless a settlement in negotiations on automobile and auto parts trade is reached by late June.

The sanctions are estimated to cost Japanese automakers a record 5.9 billion dollars.

The bank report said the U.S. action will result in a combined production decline worth more than 1.4 trillion yen for all industries, including steel, electric machinery and commerce.

'Senior' U.S. Official Comments on Auto Talks

OW0106004295 Tokyo KYODO in English
0034 GMT 1 Jun 95

[FBIS Transcribed Text] Washington, May 31 KYODO — A senior U.S. Government official Wednesday [31 May] defended a proposed consultation with Japan outside requirements under multilateral trade rules.

The official, speaking on condition of anonymity, was referring to a request made by U.S. Trade Representative Mickey Kantor last week to hold discussions on June 20-21 in Washington.

This is despite requirements under the World Trade Organization (WTO) in Geneva to hold bilateral talks within 30 days of a complaint filed by Japan against the U.S. on May 17.

"We recognize our obligations (to start discussions) within the 30-day period," the official said, noting that Washington considers the deadline as June 16.

"We have suggested days that we thought would work if agreed upon" by the two parties, he said, stressing Kantor's intention to prevent the bilateral auto trade dispute from "overshadowing" the June 15-17 Group of Seven summit in Halifax, Canada.

Considering the venue proposed as Washington, the official said that holding talks in sight of the WTO forum "is less important than an intent or a commitment to discuss seriously."

Earlier in Geneva, a U.S. official indicated that Washington is ready to reconsider its proposed timing and venue in light of renewed requests by Tokyo for early consultations in Geneva.

U.S. Official's Auto Remark 'Slight Turnaround'

OW3105150395 Tokyo KYODO in English
1444 GMT 31 May 95

[FBIS Transcribed Text] Geneva, May 31 KYODO — Washington may agree to bring forward auto trade talks with Japan before June 16 in Geneva in view of a request from Tokyo aimed at averting punitive tariffs on Japanese luxury cars, a U.S. trade official said Wednesday [31 May].

The comment marked a slight turnaround from the tough posture earlier expressed by U.S. Trade Representative Mickey Kantor who proposed that such talks be held June 20-21 in Washington after the June 15-17 summit in Canada of the Group of Seven (G-7) economic powers.

Kantor put forward the proposal in a letter to Japanese International Trade and Industry Minister Ryutaro Hashimoto.

The U.S. official in Geneva, who demanded anonymity, said Washington may agree to talks before June 16, but quickly added that it has not yet made up its mind when and where such talks would be held.

His comments came a day after Hashimoto asked Kantor in a letter for a quick response "within this week" to Japan's request for urgent talks.

Hashimoto also rejected the U.S. proposed date of June 20 as being too late.

Meanwhile, Andrew Stoler, deputy head of the Geneva office of the U.S. Trade Representative Office, said Washington will try to respond to Hashimoto's request by the end of this week.

He made the comment before a meeting of the World Trade Organization's dispute settlement body.

Washington said it will finalize June 28 a proposed list of 13 Japanese luxury car models on which it said it would slap a 100 percent punitive duty unless an agreement is reached with Tokyo by June 28.

Proposed sanctions are to be implemented under the U.S. trade law within 30 to 180 days from the finalization of the list.

In a related development, Stoler issued a statement that said, "In light of Japan's rejection of this date (of June 20), my government is considering an alternative date that we will propose for Japan's consideration."

However, the statement said the U.S. still rejects the Japanese argument that the auto trade dispute is a matter of urgency on which Washington should immediately fly to the negotiating table.

Expert Views Auto Trade Dispute, Urges Reform

OW3105125195 Tokyo YOMIURI SHIMBUN
in Japanese 29 May 95 Morning Edition p 12

[Commentary by Hitotsubashi University Professor Iwao Nakatani: "Japanese-U.S. Negotiations in the Post-Cold War Era — Filing of Complaint is Justified But Japan Committed To Economic Reform"; from the "Objections and Suggestions" column]

[FBIS Translated Text] The Japanese-U.S. automobile talks have finally broken down, and the World Trade Organization (WTO) has been called on to give the verdict as Japan has rejected U.S. demands and filed a complaint with the trade organization over a U.S. plan to impose sanctions against Japan. The United States has responded by filing a complaint with the WTO, claiming that the Japanese markets are closed.

The Japanese Government is justified in making its decision that it would be desirable to obtain an open ruling via an international venue rather than through bilateral negotiations. The United States will probably be ruled "guilty" for resorting to punitive measures. However, it must not be forgotten that European countries and other members of the international community are also sympathetic to U.S. claims that the Japanese markets are closed.

The breakdown in the Japanese-U.S. automobile negotiations indicate that the style of negotiations between the two nations have inevitably evolved into a new form in the post-Cold War era. That is to say, during bilateral negotiations during the Cold War era, no matter how severe the exchange of words between Japan and the United States may have appeared on the surface, Japan was known to eventually make partial concessions in the very end. On the other hand, Japanese negotiators have been able to convince their U.S. counterparts to accept the existence of "unique factors" in Japan to which ordinary logic does not apply. Post-World War II bilateral negotiations have, in general, continued to traditionally follow this pattern.

Now, however, the Cold War, which used to serve as a "safety valve," no longer exists. The United States no longer has to support Japan's conservative political parties. Thus, when it comes to rather difficult issues, the two nations cannot help but call on an international organization to give the verdict, as in the latest case.

Such changes place a demand on the Japanese Government as well as the people to drastically change their way of thinking. This means that the conventional tactic employed by Japan, which was tolerated under the framework of Japanese-U.S. relations during the Cold War era — that of referring to unique domestic circumstances as an excuse to continue "saying but doing nothing" (saying that it would implement deregulation but actually doing hardly anything about it), is no longer valid.

I repeat that the Japanese Government made the "proper choice" when it decided to file a complaint with the WTO against the U.S. announcement of a list of items on which it plans to impose punitive tariffs. However, there is significance in Japan's decision to file a complaint against the United States in that it serves as a Japanese "declaration of independence" from the United States, with Japan saying: "We will now, by all means, participate in the international community with the logic and responsibility that are required of a major industrialized nation." If Japan really intends to appeal to the international community on the importance of free trade by filing a compliant with the WTO, Japan, itself, must first lead the way toward implementing economic reform, including market liberalization and deregulation, and fulfill the leader's role in the international arena, such as the Asia-Pacific Economic Cooperation (APEC) forum.

The Ministry of International Trade and Industry [MITI], which is directly involved in the Japanese-U.S. automobile talks, has pointed out the closed nature of the Japanese economic and social structure in its recently-released "White Paper on Trade" in frank terms hitherto unprecedented for an official government document. In its white paper, MITI has indicated it has an extremely "accurate grasp of the situation" by asserting that because the Japanese economic system, which has so far supported the nation's economic growth, can no longer adapt itself to the changing global situation, Japan should promptly tackle economic reform, including market liberalization and deregulation.

However, Japan cannot gain the confidence of the international community merely by pointing out the problem. Neither will this help revitalize the Japanese economy. The point is how to bring about necessary reform in the economic and social structure. Looking at reality, the so-called "iron triangle" of corruptive ties among politicians, bureaucrats, and industry is still going strong, and both the ruling and opposition parties seem to lack the political leadership to break that up. As pointed out by Mr. Yukio Noguchi, an ideology that "renounces competition" is still deeply rooted in Japanese society, which continues to drag along with it a "system of the 1940's," and it seems like an extremely difficult task to eliminate this.

Thus, we cannot be very optimistic about the outlook, but for the time being, it should be welcomed that the Japanese Government has made the "proper choice" and has an "accurate grasp of the situation." However, it must not be forgotten that along with that comes the heavy responsibility of "saying and doing."

Minister Kamei To Press on With Aviation Talks

OW3105132295 Tokyo ASAHI SHIMBUN in Japanese 30 May 95 Evening Edition p 2

[FBIS Translated Text] Like the Japan-U.S. auto and auto parts negotiations, the Japan-U.S. aviation negotiations are facing rough sailing. Commenting on the Japan-U.S. aviation negotiations during a regular news conference on 30 May, Transport Minister Shizuka Kamei said: "I am a pacifist. I am not an Apache like International Trade and Industry Minister Hashimoto. I intend to continue tenaciously with the aviation negotiations with the United States from the standpoint of implementing (the current Japan-U.S. aviation agreement) on an equal footing. It is desirable for the Japan-U.S. aviation negotiations to be settled at the working level."

Editorial Urges 'Clear Stance' on Aviation

OW3005143695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 29 May 95 Morning Edition p 2

[Editorial: "Take a Clear Stance Toward Free Aviation Era"]

[FBIS Translated Text] The breakup of the Japan-U.S. aviation talks is likely to result in some form of sanctions by the United States as early as this week. Japan is going to take counteractions to U.S. sanctions, but the Japan-U.S. dispute over the rapidly-growing Asian market may have great impacts on future relations between the two nations. Apart from the impacts of U.S. sanctions, we should realize the world is watching Japan's attitude toward the upcoming free aviation era since it involves the entire world.

Regarding Federal Express Corp.'s demand for additional Narita-Philippines flights, the U.S. Government says "that is a use of beyond right guaranteed by the Japan-U.S. aviation agreement, and Japan is violating the agreement by delaying approval." Japan offered "the application by Federal Express should be discussed in line with review of unequal portions of the agreement," but this was rejected by U.S. negotiators.

The Japan-U.S. aviation agreement was concluded in 1952 and gives preferential treatment to the United States, reflecting the economic situation in the 1950's. While U.S. jetliners to Asia via Japan used to be full of American travelers in 1950's, they have been replaced by Japanese passengers and cargo almost completely. But Japanese airliners do not have the right to carry them due to the outdated agreement. The Federal Express demand for extra flights would worsen this inequality.

But the inequality of the agreement is not the only problem for Japan. Even if the United States offers "free competition under a fair aviation agreement," Japanese airlines have no incentive for drastically expanding their connection with U.S. airports as profits from U.S. routes are dropping due to the yen's appreciation. An equal agreement may even damage Japan if it means U.S. inroads into the growing Asian market in exchange for some Europe routes via the United States.

Japan's real intention is to freeze development of this issue at present since Japanese airlines, suffering from a business slump, have no power to compete with U.S. rivals. France has scrapped its bilateral aviation agreement with the United States, and this may be an effective method to protect Japanese interests; however, Japan just cannot make decisions which may worsen relations with the United States right now.

The United States has recently concluded a mutually unlimited aviation agreement with the Netherlands, and negotiations are reportedly under way with nine other countries. Those countries do not have major aviation industries at home, but the world trend is certainly heading toward liberalization of the aviation industry. Japan is now urged to clarify its stance toward this trend. The failure of the aviation talks is telling us it is no use to just advocate "mutual understanding" (as noted by the Transport Ministry) without showing our course of action. Now that the U.S. market is becoming less profitable for U.S. airlines, the United States is likely to reinforce its power diplomacy to advance into the Asian aviation market.

It is unrealistic to seek a free aviation agreement ignoring the extremely great gap in business scale between the Japanese and the U.S. aviation industries. Of course, Japanese airlines should try to further improve their financial conditions. It is inevitable that Japan must clarify its stance in order to carry out liberalization of the aviation market if it wants to open negotiations on a new aviation agreement with the United States. To demand correction of the unbalanced and unequal aviation agreement currently in effect, Japan should display its definition of air liberalization and the necessary plan to realize it.

Tokyo To Host Patent Talks With U.S. in Jun

OW3005141695 Tokyo ASAHI SHIMBUN in Japanese 30 May 95 Morning Edition p 11

[FBIS Translated Text] Japanese and U.S. Patent Office officials will hold working-level talks in Tokvo in late June on the U.S. complaint concerning the coverage of the Japanese patent system, the Patent Office announced on 29 May. At the talks, Japanese officials will explain to U.S. counterparts details of the Japanese patent system, noting "U.S. criticism is based on misunderstanding of the Japanese system."

In late April, the U.S. Trade Representative's Office (USTR) released an annual report according to the Omnibus Trade Act Special 301 provision (specifying nations violating intellectual property rights), and required "priority monitoring" of Japan for two consecutive years. The USTR report notes the Japanese Patent Office has very narrow definitions of patent rights in such areas as bio-technology, and the rights of U.S. companies are not adequately protected in Japan.

Analyst Views Importance of U.S. Alliance

OW0106122295 Tokyo RONZA in Japanese Jun 95 pp 38-39

[Article by Seiki Nishihiro, former vice Defense Agency minister and incumbent Peace and Security Research Institute director: "Question the 'Nye Initiative' Posed — We Should Further Strengthen U.S.-Japan Relationship"]

[FBIS Translated Text] The Cold War has ended and the East-West confrontation has disappeared. If it was only for the purpose of guarding against a military threat from the East, one can say that the role of the U.S.-Japanese alliance has ended. Consequently, a movement has emerged from within both the United States and Japan to review the significance of the U.S.-Japanese alliance in the context of today's world situation and international environment.

The U.S. Defense Department compiled its "U.S. Security Strategy for the East Asia-Pacific Region" this February. This report consists of three main elements.

The first point declares that the United States will continue to play a role as a stabilizing factor in the East Asia and Pacific region. The second point, to that end, says the United States will maintain a bilateral alliance relationships with individual countries as an axis and nurture multi-national relationships as complementary/supplementary ones. Third, it points out the importance of the U.S.-Japan alliance relationship and makes an appeal for us to think together about how to respond and act in the post-Cold War world.

However, I can not believe that this report represents a majority opinion in the United States. That may be the reason this report is called the "Nye Initiative," using the personal name of Assistant Defense Secretary Joseph S. Nye.

The atmosphere within the United States as a whole has turned quite inward looking, and the trend toward isolationism has become stronger. America's economic and technological strength, which had once been unparalleled, is showing some decline as a result of the long Cold War. I think the general mood is that the United States no longer has to shoulder the world's problems alone. I want to give high marks to the fact that this report was made in such an atmosphere.

We must not forget that the greatest foundation of Asian and, consequently, Japanese security is the United States.

The East Asian region has a history in which the PRC and Japan competed for hegemony. But Japan has abandoned its desire to hold hegemony in this region, and it can not become the power balancer in Asia. At the same time, Japan does not want to have the PRC and Russia possess hegemony. Therefore, the traditional U.S. policy in Asia of not permitting one specific country to hold hegemony, the "cork in the bottle theory," is significant. [Nishihiro appears to be using a broader interpretation of the "cork in the bottle" theory. It is most commonly used to describe an approach in which American forces stay in Japan to prevent the growth of Japanese military power.]

The policy of containing not only Japan, but Russia and the PRC, in a bottle, and to seeking stability in the balance of power among these three counties is also desirable for Japan. Many Asian countries desire it too.

In the Asian region, whenever specific countries join to form a group, it results in the creation of a new opposing power. For instance, if Japan and the PRC were to form an alliance relationship, other countries would believe that a terrible threat had appeared. Conversely, if Japan formed an alliance with the island countries, the PRC would regard it as an alliance encircling it.

For all the conceivable combinations one might come up with, it is merely a creation of the mosaic of Asia. The multi-national framework of Asia could only be stabilized with the participation of the United States.

Today, the East Asian countries, as they become affluent, are getting into a situation in which they can not afford the destruction caused by war. Affluence propels stability. That is because economic development and the elimination of the main causes of instability are indivisible.

On the other hand, it is also a fact that there are all sorts of obstacles. Increasing populations and the mass production and mass consumption life-style could produce a scramble for resources and markets and environmental destruction. Precisely because East Asia is developing so dynamically, it could run into a wall very quickly.

A Place for Multinational Discussion Is Needed for Stability in Asia

For Asia's stability, we must try to nurture multinational relationships, while at the same time, strengthen the U.S.-Japan alliance relationship along the lines of the Nye proposal. The "multiple-ism" that is incorporated in the report by the Roundtable Conference on Defense Issues is the same idea as the "multi- nationalism" found in East Asia-Pacific strategy report.

During the Cold War era, it was important to deal with a specific opponent's military threat utilizing bilateral and multi-lateral alliances. But in the post Cold War world, it has become important to be able to solve various problems of instability and to control them quickly. Increasing transparency for each country, strengthening relationships of trust, and advancing mutual understanding through a multifaceted framework, including a number of countries, will permit these goals to be realized.

The ultimate form for multinational discussion in the East Asian region would be a conference of security cooperation in Asia. But this is too difficult to bring about right away. Asia is too large, and the situations and thinking in individual countries are even more diverse then those in Europe.

For that reason, we should begin with what is actually possible; the control of narcotics, a response to piracy, joint peacekeeping operations training, or whatever. The countries that could participate should get together and work on whichever project they can participate in, sparing no effort in the process. This would be the only option we have.

The Peace and Security Research Institute, to which I belong, will soon start an "East Asia Research" project together with the United States and the PRC. The main participant from the United States will be the Pacific Forum, and from the PRC, the Academic Forum on International Strategy. We are hopeful that this will become the foundation for multinational discussion.

As for the U.S.-Japan relationship, I am fearful that the relationship between the two has become quite critical. Japan's foreign policy and conduct seem to be a claptrap, without any conceptual framework. It is regarded as lacking in theoretical consistency and increases U.S. mistrust.

For example, Japan survives by trade, so it needs as free and open a market as possible. Yet in the actual U.S.-Japan negotiations, it stresses special Japanese characteristics and spends the bulk of its energy on the continuation of regulations and maintenance of a closed market. I doubt if the United States can understand such contradictory actions.

Precisely because of such a situation, Japan should respond sincerely, not with a claptrap, to the "Nye Initiative," which seeks to find a new framework in post Cold War East Asia. It is important to declare clearly that the U.S.-Japanese alliance is extremely important for the peace and stability of Asia and the Pacific Region and that we are determined to make efforts together.

Information Infrastructure Compared With U.S.

OW0106081895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 May 95 Morning Edition p 13

[FBIS Translated Text] The gap between Japan and the United States in the development of information infrastructure was revealed in the FY95 "Computerization White Paper" issued by the Japan Information Processing Development Center [JIPDEC] on 29 May. Japan's personal computer shipment stands at only 16 percent of that of the United States; the number of computer communications network users is one-third of that in the United States, and the number of Internet access systems in the United States is 33 times that in Japan. Japan is behind the Unites States in all these areas.

In the white paper, the JIPDEC warns that "Japan will fail to keep up with the world trend if it is unable to take advantage of the opportunity of computerization in government administration and the start of the five-year deregulation program."

The JIPDEC first classified statistics on Japan and the United States related to the information infrastructures according to figures relating to hardware, networks, and contents (of information) to compare infrastructure development.

In addition to statistics on such item as the number of shipment of personal computers, cumulative number of computers in use is one- seventh of that in the Unites States, the number of the cable television subscribers is one-thirtyfifth, and sales of database packages stand at 15.6 percent.

Moreover, in schools, while 24.1 students have access to one computer in the United States, 53.6 students in Japan have to share one computer.

The Japanese Government accounts for only 9 percent of the total information service sales, while the U.S. Government's share is 17 percent. The gap between the two nations has also been unveiled in the fields of education and public administration.

The JIPDEC notes that behind the improvement of information infrastructure is the promotion of downsizing, which has accelerated the use of computers and networks at the individual level in the United States. It also points out the significance of the next five years, when deregulation and computerization in government administration are expected to be promoted, for the development of Japan's information infrastructure.

Tokyo Offers Sakhalin Quake Victims Treatment

OW0106075095 Tokyo KYODO in English 0711 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — Japan told Russia Thursday [1 June] it is ready to accept people severely hurt in Sunday's earthquake on the Russian Far East Island of Sakhalin to receive treatment at Japanese hospitals, Foreign Ministry officials said.

Foreign Minister Yohei Kono made the offer during a 25 minute telephone conversation with Russian First Deputy Prime Minister Oleg Soskovets, who is heading Russia's emergency committee on the Sakhalin earthquake, the officials said.

Soskovets told Kono he welcomes Japan's offer and that he will tell the Sakhalin governor to contact Japanese officials about it, they said.

The officials said Japan is ready to accept five to 10 victims at several hospitals in Sapporo on Hokkaido, Japan's northernmost main island.

Japan made a similar offer Wednesday but Sakhalin officials declined it, saying they do not need to send the victims to Japan at the moment, the officials said.

According to the Russian Ministry of Civil Defense, Emergencies and Natural Disasters, the death toll from the quake rose to 559 Wednesday morning.

Also during the talks, Soskovets agreed to Kono's proposal that Japan and Russia discuss possible cooperation on earthquakes among seismologists of both countries when a meeting of the bilateral Science and Technology Cooperation Committee opens in July in Moscow.

The officials also said Kono and Soskovets did not discuss remarks reportedly made by Russian President Boris Yeltsin rejecting Japan's relief aid as being a sign to use the aid to demand the return of four disputed Russian-held islands off Hokkaido.

"The Japanese Government is currently confirming through a diplomatic route whether Yeltsin actually made the remarks," a ministry official said. "If it is true, it is regrettable," the official said.

The official said the Japanese aid is being offered purely from a humanitarian point of view taking into consideration Japan's friendly relations with Russia.

He also said Soskovets told Japanese Ambassador to Russia Koji Watanabe in a meeting Wednesday that Yeltsin has expressed appreciation for the Japanese aid.

Officials React to Yeltsin's Quake Aid Remark

Murayama Rejects Allegation

OW0106090595 Tokyo KYODO in English 0855 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — Prime Minister Tomiichi Murayama on Thursday [1 June] rejected a reported allegation by Russian President Boris Yeltsin that Japan's offer to help Russian quake victims in Sakhalin was insincere.

Murayama told a House of Representatives plenary session, "Japan has sincerely extended such assistance merely from a humanitarian point of view, and it has nothing to do with the northern territories."

Yeltsin reportedly rejected Japan's offer of relief assistance following Sunday's massive quake on the Russian Far East island for fear of renewed demands over four Russian-held islands off northern Japan, referred to here as the northern territories.

According to media reports, Yeltsin said Wednesday that Russia does not need Japanese quake relief aid because Tokyo might use it to pressure Moscow to return Etorofu, Kunashiri, Shikotan and the Habomai Islets.

"It is very regrettable, if (media reports on) the prks were true," Murayama said.

Earlier Thursday, Chief Cabinet Secretary Kozo Igarashi said at a news conference he believed Yeltsin's remark was falsely reported.

"I cannot imagine a president of a country making such a remark at a time when a neighboring country is sincerely trying to offer cooperation," the top government spokesman said, adding he had not listened to Yeltsin's televised comments.

Igarashi said Japan, as Russia's neighbor, is determined to offer as much assistance possible from a humanitarian viewpoint.

Igarashi Doubts Alleged Remarks

OW0106060995 Tokyo ASAHI Newstar Television Network in Japanese 0245 GMT 1 Jun 95

[News conference by Chief Cabinet Secretary Kozo Igarashi with unidentified reporters, place not given, on 1 June; from the "Flash Report: News Conferences" program]

[FBIS Translated Excerpt] [passage omitted on Igarashi's explanation of Japan's aid plans for the Sakhalin earthquake]

[Unidentified reporter] It was reported that in reaction to Russian President Yeltsin's statement that Russia will not accept Japanese aid for the earthquake because it may be asked to return the islands, top Foreign Ministry officials expressed their displeasure. What is the government's position on this?

[Igarashi] Well, when Ambassador to Russia Koji Watanabe met First Deputy Prime Minister Oleg Soskovets yesterday, Mr. Soskovets said he reported to President Yeltsin on the earthquake. President Yeltsin reportedly expressed gratitude for the aid offered by Japan and other foreign countries.

In any case, Japan, for its part, will offer humanitarian aid and all other possible forms of assistance to the unfortunate earthquake victims. As a country neighboring Sakhalin, I think this is the natural thing to do.

In that sense, we feel that the alleged statement by President Yeltsin may have been an erroneous report. It is inconceivable that under the present circumstances, the president of a country would make such a statement on sincere aid efforts being made by a neighboring country. That was probably a misleading report.

[Unidentified reporter] Mr. Igarashi, President Yeltsin's statement yesterday was recorded by television cameras. Do you still think this was an erroneous report?

[Igarashi] That is what I think.

[Unidentified reporter] What if this was not an erroneous report.

[Igarashi] I said I think it was an erroneous report.

[Unidentified reporter] Have you seen the television report?

[Igarashi] No, I have not. I have not seen it... [pauses] but you just heard what I said. [passage omitted]

Hashimoto Asks Keating To Upgrade Supercomputer

OW2705140995 Tokyo KYODO in English 1332 GMT 27 May 95

[FBIS Transcribed Text] Tokyo, May 27 KYODO — Trade Minister Ryutaro Hashimoto proposed Saturday [27 May] to Australian Prime Minister Paul Keating that Japan and Australia step up cooperation to develop supercomputers capable of meeting tough multimedia-related requirements for large-capacity transmission.

Hashimoto put forward the proposal in a one-hour, tete-a-tete meeting with the Australian premier at the Akasaka Palace State Guesthouse in Tokyo, an official of the Ministry of International Trade and Industry (MITI). [sentence as received] Keating is now on a five-day visit to Japan that started Wednesday.

The official said Hashimoto proposed to Keating that Japan and Australia upgrade current supercomputer-related cooperation from the level of supercomputers for numerical data processing to the higher level of developing a supercomputer with larger capacity for multimedia applications.

Keating strongly supported this proposal, he said.

Japan-Aussie supercomputer-related cooperation started in September, 1992, when Keating asked then Prime Minister Kiichi Miyazawa to start such technological collaboration, he said.

The fresh Japanese proposal calls for Japan to consider developing a supercomputer with a data transmission capability of 2 megabits per second, while calling for the University of Melbourne to develop appropriate software with multimedia applications, he said.

Hashimoto proposed that they begin considering expanding the data-transmission capacity of a supercomputer to be used in the joint project, he said.

Large-transmission-capacity supercomputers are needed because multimedia-related applications, including moving-image processing, would require huge computer transmission capacity, he said.

Both MITI and Hitachi Ltd., a major Japanese supercomputer maker, have been involved in technical cooperation with researchers at the University of Melbourne.

As for the upcoming meeting in Osaka in November of the leaders of the Asia-Pacific Economic Cooperation (APEC) forum, Keating urged Japan to step up efforts to bring the parley to a successful conclusion so that it may produce "positive achievements," he said.

In connection with the supercomputer issue, the Australian Government issued a press statement confirming its willingness to conduct "close collaboration between Australia and Japan in new-generation high-performance computers."

A capacity of more than 2 megabits per second "would support software research and development in broadband and multimedia technologies and real-time simulation associated with industrial design of new components," the statement said.

Eventual applications of the new technologies to be produced through the collaboration will include "advanced climate modeling...superconductivity and linked testbeds for research into advanced multimedia applications such as simultaneous virtual- reality modeling of 3-D spaces," it said.

In a related development, a senior Australian Government official said Keating asked Hashimoto to ensure that Australian-made automobiles and auto parts will not be discriminated against by Japan, if auto trade talks between Tokyo and Washington led to an agreement for Japan to open its market further to imports.

The official in the delegation of the Australian premier said in a telephone interview Hashimoto assured Keating that the "Australian motor industry would not be discriminated against in any resolution of the auto industry dispute with the United States."

She noted a Toyota Motor Corp. factory operating in Australia is now exporting its sedans to the Middle East, while Mitsubishi Motors Corp. is considering establishing a plant to produce sedans and wagons in Australia.

The value of Australia's auto parts exports to Japan now stands at 200 million Australian dollars a year, she said.

DPRK Official's Letter to Tokyo on Rice

OW3105120995 Tokyo SANKEI SHIMBUN in Japanese 30 May 95 Morning Edition p 2

[FBIS Translated Text] Kim Yong-sun, secretary of the Workers' Party of Korea [WPK], sent a letter on 26 May to the three ruling coalition party leaders who headed a mission to Pyongyang. The contents of the letter came to light on 29 May. While it hinted that, in exchange for Japan supplying rice to North Korea, the stalled Japan-North Korea normalization talks could be resumed, the letter smacked of "much diplomatic dealing."

The letter was carried by Yi Song-rok, chairman of the International Trade Promotion Committee in North Korea, who asked Japan to supply rice to North Korea. The letter said the "written agreement to resume the stalled Japan-North Korea normalization talks," which was made between the three ruling coalition parties and the WPK, "was a reflection of the intentions and wishes of the peoples of Japan and North Korea to maintain good relations between the two countries."

The letter stressed: "We have been making various efforts to implement the written agreement in a bid to get the stalled Japan-North Korea normalization talks resumed."

The letter made no direct reference to Japan supplying rice to North Korea, but it indicated that Yi's request for Japan to supply rice to North Korea was by way of a formal WPK request because it asked the three leaders to "cooperate with Yi's business in Japan." The letter also suggested that supplying rice to North Korea could be a condition for the resumption of the stalled Japan-North Korea normalization talks.

Yi asked for Japan to supply rice to North Korea in a meeting with the three ruling coalition party leaders. Asked if his request could be taken as a formal request from the WPK and the North Korean Government, Yi said: "If you read the letter, you will find the answer to that question."

The letter went on: "If the three coalition ruling parties ask the WPK to send a mission to Japan, we would try to send it."

In this way, Secretary Kim, in his letter, indicated that the WPK was willing to send a mission to Japan.

Reporter Laments 'Imprudent' Approach to DPRK

OW0106055695 Tokyo CHUO KORON in Japanese Jun 95 pp 99-105

[Article by Yoshimitsu Shigemura, MAINICHI SHIMBUN reporter: "Controversial Ruling Parties' Mission to the DPRK That Toyed With Diplomacy"]

[FBIS Translated Text] **Memories of Ambassador Sunobe**

On 14 April Shintaro Ishihara, an LDP member of the House of Representatives, announced his intention to resign as a lawmaker. He criticized the Japanese political situation by saying, "All political parties and most politicians are at work for nothing other than the most egocentric and abject self-protection." Many people may agree with what Dietman Ishihara pointed out. As I see it, a lack of ideals among Japanese politicians and political confusion are rampant in the political world, and Japanese diplomacy is also under their influence. I cannot help but worry whether Japanese diplomacy is exploited for the sake of — to borrow Dietman Ishihara's words — "egocentric and abject self-protection."

When I was a special correspondent in Seoul, Ryozo Sonobe, then Japanese ambassador to the ROK, often invited me for supper at his official residence on weekends. Ambassador Sunobe's suppers were simple ones such as curried rice, perhaps with one side dish, reflecting his character.

I once asked him offhandedly, "What are you intending to do after your tenure as ambassador is up?" He replied, "I am going to teach at a college for the benefit of young people. I need no titles." His view of life was eloquently displayed in his words, "A man is finished if he tries to get hold of higher rank or profits."

The post of ambassador to the Republic of Korea is one of the most important positions for Japanese diplomats. No other post is so closely involved in politics. Politicians from Japan go there frequently for talks with ROK politicians. On many occasions Sunobe was asked by Japanese politicians and businesses to help specific Japanese enterprises participate in projects in the ROK. Quite a few diplomats, thinking of the future after retirement, have certainly acceded to such requests.

Ambassador Sunobe, however, always kept his distance from special-interest requests by Japanese politicians and businesses. He was a diplomat who knew full well the roles politicians can play and the dangers involved. Koreans respected him for his character, which reflected the scholarly character of those born in the Meiji period.

Did the Quality of Japanese Diplomats Change?

There were many sociable and effective diplomats in the Japanese Embassy in the ROK at that time. Among those working hard for improved Japan-ROK relations were Minister Sakutaro Yano, who later was appointed to the post of director general of the Asian Affairs Bureau and is now chief of the Cabinet Councilor's Office on External Affairs; and Minister Shunji Yanai, who is currently director general of the Comprehensive Diplomatic Policy Bureau of the Foreign Ministry. They were full of enthusiasm in their efforts to understand and deal positively with ROK and DPRK problems, although they were making diplomatic contact with the Korean peninsula for the first time.

Ambassador Sunobe kept the door to his office open at all times for Japanese correspondents. He accepted unscheduled visits by Japanese correspondents, if he had time.

After the Seoul assignment, I was a Washington correspondent for five years, beginning in 1958. What surprised me most was the differences in attitudes and quality of diplomats I met at Japanese embassies in the ROK and in the United States. In Washington I found very few young diplomats who were able to exchange proper greetings. On top of that, their behavior was arrogant.

A diplomat friend of mine was transferred to the embassy in Washington after doing a short two-year assignment as ambassador to the ROK and being recalled to the Foreign Ministry. He confided to me, "I wished to stay in Seoul a little longer, but I couldn't help but obey the instruction to return to the Ministry." I could understand what he meant only after I returned to Tokyo.

There was a high-ranking Foreign Ministry official whose Seoul assignment had been cut short after a short one-and-half year stay. I happened to meet this official when I went to the Foreign Ministry to say hello to one of my acquaintances there when I returned after a five-year absence. I got an unexpected answer when I started by saying, "Your ROK assignment was quite short, wasn't it?" He said, "There seemed to be a school of thought that hates diplomats' becoming too well accustomed to the smell of kimchi and garlic."

At this moment, I thought I understood the implication of the puzzled words that I had heard in Washington. I surmise that some in the upper echelons of the Foreign Ministry tend to "classify useless those diplomats who become too well acquainted with the ROK and the smell of kimchi."

If that is the case, it is an absurd misunderstanding. No other area is more subject to pitfalls and unnecessary friction than the diplomacy involving the ROK and the DPRK, unless you are fully accustomed to the ways of thinking and behavior of your counterparts. It is hard for a Japanese to understand uniquely Korean ways of feeling, thinking, and acting. They cannot be understood by career diplomats without the knowledge of the Korean language and less than a two-year stay.

Reasons Why Politicians Meddle in Korean Peninsula Diplomacy

One of the big differences between Seoul and Washington is the frequency of visits by Japanese politicians. Very few politicians go to Washington.

Most politicians who come to Washington on a dietmen's diplomatic missions only meet the U.S. lawmakers with whom the Japanese Embassy has arranged appointments in advance and pay visits to the Departments of State and Defense. Such Japanese politicians are rarely known to build lasting friendly relationships with U.S. counterparts, visit the White House and Congress without reservation, or attempt to advance Japan-U.S. relations at their own expense. In fact, these infrequent exchanges of politicians are one impediment to Japan-U.S. relations.

On the other hand, Japanese politicians make frequent appearances in Seoul. A considerable number of politicians, including those accompanied by their supporters and those on confidential private trips, go to Seoul every year. Why do they make so few trips to Washington and so many to Seoul?

One reason may be their inability to speak English. But they have the same problem with Korean. A more realistic reason is the Japanese politicians' conclusion that nothing profitable can be found in the United States.

A delegation comprised of members of three ruling coalition parties — the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger] — paid a visit to the DPRK from 28 to 30 March and announced a four- party joint declaration with the Workers Party of Korea [WPK]. But events leading up to the actual dispatch of the coalition party delegation were obscure and abrupt, as in the old days of Japan-ROK relations.

Before sending the delegation, the ruling political parties claimed that the DPRK had said it would shelve the "three-party joint declaration" of 1990 that made references to "post-war compensation." They explained that the "three-party joint declaration" would be referred to as a "historical fact" in working out a "new four-party declaration of the three coalition parties and the WPK." Simply speaking, they stressed that the visit of the ruling party delegation would nullify the validity of the three- party declaration with reference to "post-war compensation." But the outcome was not as expected.

It would have been quite apparent that the "three-party declaration" could not be made a fact of history, if a little research had been done on the DPRK's official statements, policies and standpoints. It was common knowledge among Korean affairs specialists that "North Korea will never abandon the three-party joint declaration."

In addition, the ruling party side said the visit will "set a course for normalization of relations." It went on to quibble that "it is unreasonable for Japan to lack the means to convey Japanese intentions to the DPRK on the occasion of the launching of the Korean Peninsula Energy Development Organization [KEDO], for which Japan is to provide partial funding." This sort of remark is nothing but a revelation of diplomatic idiocy on the part of the Japanese. Already at that time, without the intervention of politicians, the DPRK had hinted at its willingness to make diplomatic contacts with Japan by sounding them out and sending signals about contacts. If high-echelon Japanese diplomats were unaware of this, those in charge in the Foreign Ministry should be blamed for neglecting their duties. If "the channel between Japan and the DPRK was not open at the time when KEDO came into being," Japan should simply have made proposals for resumption of contacts and negotiations. There was no need for politicians to get into the act.

Since the beginning of this year, the DPRK side has repeatedly made clear its position that "there are no preconditions for resuming talks for normalization of relations with Japan," through media like the KOREAN CENTRAL NEWS AGENCY [KCNA] and the NODONG SINMUN [Workers' Daily]. This is quite a departure from their previous position. Until this year, the DPRK had criticized Japan for seeking "solutions to the suspected nuclear development in the DPRK" and "information on Yi Un-hye," a Japanese woman allegedly abducted to North Korea, and had upheld the position that Japan withdraw the preconditions if it wanted to resume negotiations. If such was the case, an atmosphere making diplomatic-level contacts possible was already brewing, without the help of politicians.

In spite of this, the Japanese vice foreign minister made a remark favoring the dispatch of the ruling coalition party delegation. If he made the remark without knowing about changes in the diplomatic attitude of the DPRK, he should be blamed for lack of diplomatic knowledge. If he knew about the changes and made such a remark, he intentionally created a stage for the politicians' appearance, despite the fact that resumption of negotiations by diplomatic authorities was already possible.

Furthermore, newspapers quoted a high-ranking Foreign Ministry official as saying: "The establishment of the KEDO tentatively paved the way to dissolving the suspected nuclear development problem." This was still another misunderstanding of the facts. At that time, U.S.-DPRK negotiations on a contract to supply light-water reactors were bogged down, and the outlook for an agreement was unlikely by the deadline, 21 April.

The DPRK clarified its position that it would "refill fuel rods to the reactor that has been frozen, if no agreement was reached by 21 April," and the United States warned that it would "go ahead and seek sanctions at the UN Security Council, if the agreement was violated." And the ROK was calling on both Japan and the United States for consultations in preparation for actions they would have to take if they had to go ahead with the sanctions. Contrary to what a high-ranking Foreign Ministry official said, the "way to solve the problem of suspected nuclear development" has not yet been found. Prior to the departure of the ruling coalition party delegation to the DPRK, Hiroshi Kawashima, director general of the Asian Affairs Bureau of the Foreign Ministry, visited Seoul but was given a cold reception, being allowed only a one-day talk with high-ranking ROK Foreign Ministry officials, although he stayed in Seoul for four days.

Questionable Reports in ASAHI SHIMBUN

The decision to dispatch the ruling party delegation to the DPRK was reached when Japan made secret contact with the DPRK in Singapore on 16 February. House of Representatives member Kosuke Hori of the LDP and Councilor Yukio Takeuchi of the Foreign Ministry's Asian Affairs Bureau participated, accompanied by two officials of the Foreign Ministry's Northeast Asia Division on the Japan side. On the DPRK side, Yi Chong-hyok, vice-chairman of the Korea-Asia-Pacific Peace Committee, was on hand. In early March, the Foreign Ministry briefed the U.S. Government about this secret contact. The U.S. Government, however, was strongly suspicious about the aim of this contact, because Hori had introduced himself as "a proxy for LDP Policy Research Council chairman Koichi Kato." At this conference, the DPRK side refused to accept a Japanese proposal for rice assistance to the DPRK.

What was the reason behind the U.S. Government's doubts? For a political contact between politicians of both countries, there would be no need to have high-ranking Foreign Ministry officials on hand. For a diplomatic contact, it would be highly unusual to have politicians on hand. Furthermore, the DPRK counterparts in the contact were not DPRK foreign ministry officials. The Japanese Foreign Ministry explained that Representative Hori and Councilor Takeuchi made contact with the DPRK side separately. It does not make sense that each was unaware of the other's meeting with the same person on the same day. If high-ranking Foreign Ministry officials could contact and talk with the DPRK side on the resumption of normalization talks, there is no need to send a ruling party delegation.

Another matter of concern was the man who acted as a go-between in setting up this meeting. The Foreign Ministry and the LDP politicians were quoted as saying a North Korean-Japanese president of a firm engaged in Japan-PDRK Korea trade was the agent. This executive flew to Pyongyang with the ruling coalition party delegation aboard the same specially chartered plane. These facts were questioned in the Diet. Suspicions naturally arose as to whether the ruling coalition party delegation had hidden conflicts of interest. From three to five billion dollars is expected to move on the occasion of Japan-DPRK normalization. The reason behind sending the ruling coalition party delegation to the DPRK may have been the politicians' intention to grab that money.

The ASAHI SHIMBUN was remarkably conspicuous in its coverage of the delegation's visit to the DPRK. While other newspapers pointed to suspicions about the delegation's DPRK visit, only ASAHI continued to carry news stories and commentaries supporting the visit without reservation. Headlines of its major news stories were as follows: "U.S. Strategy on Korean Peninsula To Be Supplemented; Ruling Coalition Party Delegation To Leave For DPRK Tomorrow, To Play A Role in Stabilizing [the Korean situation]" [morning edition, 27 March]; "Agreement Reached On Resuming Japan-DPRK Negotiations; Good Opportunity to Find Japanese Role" [morning edition, 31 March]; "Due Formalities Set, Japanese Government Welcomes [the Outcome]" [morning edition, 31 March].

In addition, the newspaper continued to praise without reservation the scheduling and results of the DPRK meeting, including articles headlined, "U.S. Government Supports [Contact], Too" and "Ambassador Mondale, Too, High in Praise."

In the news story headlined "U.S. Strategy on Korean Peninsula To Be Supplemented," however, no concrete explanation was made as to how U.S. strategy was to be supplemented. And the "cross recognition policy" mentioned in that article had long since become a relic of the Cold War era. Without acknowledging this fact, the story concluded that "the United States consented to the LDP's idea with grace." Absolutely no reference was made as to who in the U.S. Government gave such consent. Certainly the article is deficient.

The writer of this report had absolutely no knowledge that the post-Cold War United States no longer has a systematic strategy on the Korean peninsula. The only thing that can be termed a strategy is preventing the DPRK from developing nuclear arms and missiles. As mentioned earlier, the United States was at first suspicious about the ruling coalition parties' dispatching a delegation to the DPRK, because the objectives were unclear. The United States made clear its official view that Japan was free to dispatch a delegation but did not use such words as "supports" or "looking forward to." The United States refrained from statements that might sound like interference, because it considered that the meeting, like the visit of a U.S. Congressman to North Korea, would have no impact on U.S. foreign policy.

What the United States had feared most were the DPRK maneuvers to divide allied foreign policy. The DPRK has time and again staged diplomatic moves to disrupt cooperative relations among Japan, the United States and the ROK. Only amateurs in Korean affairs do not know the DPRK's diplomatic strategy and abilities, and the standard responses on the part of the United States and the ROK.

Again ASAHI's 31 March article emphasized the successes of the delegation's visit: "The role of supplementing the U.S. Asian strategy has become more conspicuous." And it went on to write that for the past four years Japan has been "left helpless, without a means of making an approach of its own." That is very far from the truth. It was the DPRK side that had persisted for the past four years in rejecting any proposal for negotiation as long as the nuclear questions and the case of Yi Un-hye, [a Japanese woman allegedly abducted to the DPRK], were brought up.

I have no intention to "criticize ASAHI" by saying that its stories are therefore not trustworthy. I feel uneasy because the same kind of reports can appear in any newspaper. The more newspapers carry such low-quality stories, the more they will lose trust and prestige, I am afraid.

Probably the writer of this story is no specialist in Korean affairs. He might have just quoted what high-ranking Foreign Ministry officials and politicians stated. It is annoying that reporters write their stories on the presumption that Foreign Ministry officials are infallible in their statements. Newspapers are not publicity papers for government agencies. I am annoyed by the response of newsmen who do not doubt a bit what government officials say. It will cause trouble if newsmen write stories without recognizing that Japan has many specialists who are more informed and intelligent than government officials or diplomats.

Desirable Relations Between Japan and Korean Peninsula

Were there any successes that the delegation can boast about? Let me examine the documents agreed on by the four parties. The preamble includes a statement that "a historical three-party joint declaration was adopted in September 1990." The DPRK side used the expression "historical," taking advantage of the Japanese attempt to insert the statement that the three-party declaration was "recognizable as a historical fact." Thus, the Japanese intention to "shelve it as a fact of the past" ended in failure.

In both North and South Korea, the word "historical" carries a significant weight. There is no important difference in meaning if it used in such a phrase as "historical facts." The LDP was said to have chosen the expression to give the impression that it gives due consideration to the position of the SDPJ in its dealing with Diet affairs. Such an ambiguous expression or evasive description, however, can become an issue in international relations. It is necessary to define accurately the meaning and context of a word.

Sending a delegation to the DPRK with an understanding only of Diet affairs in domestic politics meant that the 1990 lesson of Kanemaru's mission to that country had not been learned. It is extremely dangerous to deal with diplomatic problems in the same way as domestic politics. The DPRK side had its own "reasons" for accepting Japan's ruling coalition delegation. The "reasons" were said to have included such "weak points" as internal conflicts and so on. Secretary Kim Yong-sun, who extended the invitation, was said to have been in political difficulties. It is a basic of "diplomacy" to gather and do a precise analysis of information on whatever "reasons" and make appropriate responses. Without examining the strengths and weaknesses of counterparts, taking action without strategy and diplomatic bargaining cannot be called "diplomacy."

The Japanese defined their purpose in resuming normalization talks as "to improve relations thoroughly...on an independent standpoint of its own." Viewed from the DPRK side, this expression amounted to committing the Japanese side to restrictions against bringing up the nuclear issues or the Yi Un-hye problem that "have nothing to do with the normalization problem." It gave the DPRK grounds for rejecting as "irrelevant to normalization" any Japanese call for "resumption of north-south dialogue" and "efforts for solving the issue of light water reactors."

The Japanese Government has insisted that agreements among political parties are not binding in governmental negotiations. The DPRK side will, however, insist that the Japanese Government cannot say it "has nothing to do," since Councilor Takeuchi of the Foreign Ministry's Asian Affairs Bureau accompanied the delegation and Foreign Ministry officials helped in interpreting and in drafting documents of agreement. Thus, it cannot be denied that the document agreed upon by the ruling coalition party delegation ended up recognizing the effect of the three-party joint declaration rather than shelving it.

Japan's Korean peninsula diplomacy is facing its last chance for many years to come to build friendly relations. A grave problem is how Japan is going to respond at this historical turning point, from normalization of Japan-DPRK relations toward toward north-south unification.

If Japan makes a mistaken choice and response, it once more cannot evade blame for sowing seeds of future trouble. Japan's politicians and businesses should make it clear that they will not profit from grants of money accompanying Japan-DPRK normalization. DPRK's party officials have been quoted as telling Japan's LDP leaders that "its channel with Japan will be narrowed down to one, through Mr. XX," if a ruling coalition party delegation was sent. Diplomacy must not go through such unseen rear channels in disregard of the interests of both nations. History demands a farewell to a Japan-DPRK relationship that is apt to be involved in suspicious interests and concerns.

Further, Japan should make it clear that it will provide the maximum cooperation and economic assistance on the occasion of north-south unification and will not seek to advance any interest. That will lay the foundation for building mutually respectful relations between Japan and the Korean peninsula for 100 or 1,000 years ahead. I wish such an ideal had been formulated and put into practice by Japanese politicians and the ruling coalition party delegation to the DPRK. I think Japan is now facing its last chance.

DPRK's Intention To Resume Talks Discussed

OW0106081295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Jun 95 Morning Edition p 2

[FBIS Translated Text] Though the DPRK (North Korea) has conveyed the wish of resuming talks on diplomatic normalization, the Japanese Government wants to act cautiously, while maintaining close contact with the ROK on this issue and watching progress made in the U.S.-DPRK talks in Kuala Lumpur. And now that the issue of supplying rice to the DPRK in urgent aid is starting to get complicated as a result of the delicate ROK-DPRK relationship, some in the government and ruling coalition parties are saying the DPRK's move is "also aimed at creating a rift between Japan and the ROK." At present it is unclear when the Japan-DPRK talks can resume formally.

To summarize stories of officials concerned, the DPRK in informal negotiations in Beijing has offered to resume the normalization talks with Japan at the ambassador level, citing Tokyo and Beijing as venues for the talks. The Japan-DPRK normalization talks were suspended in November 1992, and since then only informal negotiations have been held between their two governments. On the level of political parties, Japan's coalition parties sent a delegation to North Korea in March, and it arrived at a basic agreement with the Workers Party of Korea on resuming the talks at an early date. But now since the DPRK in the government-level informal contact has conveyed to Japan its wish to resume the normalization talks, it can be said that the DPRK has shown a positive position on resuming the talks.

Japan is cautious, however. Chief Cabinet Secretary Igarashi told a news conference "we can feel that the North Koreans are looking forward to this," but added, "but still we only feel that kind of atmosphere and nothing beyond that." Koichi Kato, chairman of the Liberal Democratic Party's [LDP] Policy Research Council, said, "Some think this is intended to cut into the Japan-U.S.-ROK relations," and added, "That is all right only if Japan, the United States, and the ROK are confident they can closely cooperate with each other."

Some people in the government and the coalition parties think "If the normalization talks are resumed now when no one is sure when the issue of supplying light-water reactors can be resolved, only confusion will arise."

Furthermore, the issue of supplying rice to North Korea is intertwined in this matter delicately. Even though the ROK has proposed to the DPRK to hold bilateral talks on the issue of supplying rice, the DPRK has not given an official response to it yet. The ROK has called on Japan's ruling parties to "halt" a plan to send their delegation to the ROK to discuss the issue of supplying rice to the DPRK under such a situation.

Apparently, Japan is in a difficult position in deciding on the question of supplying rice to the DPRK, given the grand premise of the need to maintain cooperation with the ROK. Under such circumstances, the DPRK has come up with the offer to resume the normalization talks. Such being the case, a senior official of the LDP said he was wary about the offer. He said, "This offer can hurt the feelings of the South Koreans. The DPRK knows this, and this is their strategy to confuse us."

APEC Trade Liberalization Guidelines Viewed

OW3005075795 Tokyo YOMIURI SHIMBUN in Japanese 29 May 95 Morning Edition p 1

[FBIS Translated Text] The "Action Guidelines" for promoting trade and investment liberalization, which Japan will propose for adoption at the Asia Pacific Economic Cooperation (APEC) forum scheduled for Osaka in November, were disclosed on 28 May. The Guidelines will announce that full-fledged actions will start in January 1997 for the purpose of achieving liberalization by 2020, and that an organ for checking liberalization progress will be set up in November 1997. Moreover, included in the Guidelines are measures to be taken to implement ahead of schedule the Uruguay Round (multilateral trade negotiations) accord that stipulates measures for promoting extensive liberalization. The government plans to formally submit this proposal to the high-working-level meeting scheduled for Sapporo in July, and intends to speed up the final coordination by dispatching envoys or officials in charge of the issue to APEC member nations such as the United States, China, and Indonesia.

Japan is the host for the APEC Osaka forum. Among the principles listed as basic concepts of its "Action Guidelines" for trade and investment liberalization are: 1) conformity with GATT must be maintained; 2) no exceptions to liberalization should be made; and 3) benefits obtained from liberalization should also be provided to those countries outside the region.

Then, the Guidelines state that practical action plans should be worked out at the 1996 Manila forum for the purpose of smooth promotion of medium- and long-term targets of liberalization with industrialized countries expected to achieve it in 2010 while developing countries in 2020. It also carries annual programs that indicate starts of action in January 1997.

Also included in the "Action Guidelines" for the purpose of urging various countries to steadily promote liberalization is a plan to inaugurate an organ for reviewing the progress at the forum scheduled for Canada in November 1997.

Kono Comments on Malaysia's EAEC Proposal

OW2905125495 Tokyo KYODO in English 1216 GMT 29 May 95

[FBIS Transcribed Text] Osaka, May 29 KYODO — Foreign Minister Yohei Kono warned Monday [29 May] that last year's vow by Asia-Pacific Economic Cooperation (APEC) forum members to remove mutual curbs on trade and investment by 2020 may lose its authority unless they make further headway in this year's meeting in Osaka.

"Unless (the member states) could take even a small step forward (during the upcoming Osaka meeting), the Bogor declaration would lose its power," Kono told a lecture meeting.

Leaders of the APEC states will gather in Osaka in November with a goal of declaring an action plan for freer trade and investment to infuse more specific guidelines into the general wording of the Bogor communique, issued last year in the Indonesian resort of Bogor.

The declaration encourages member states to alleviate restrictions on trade and investment by the target year of 2020.

APEC members are now involved in negotiations to sketch out an action plan with substantial mutual commitments to lift specific curbs on trade and investment.

Kono's remark was taken as implying his resolve to make progress in the annual APEC forum in view of Japan's status as this year's host nation.

Kono sounded critical of a proposal by Malaysian Prime Minister Mohamed Mahathir to establish the East Asia Economic Caucus (EAEC), a regional bloc for closer economic cooperation into which Mahathir called for including East Asian nations, Japan and China, observers said.

"If (his proposal) implies an attempt to band countries who can easily huddle (due to the geographical proximity), what about creating a grouping of countries that includes Australia and New Zealand?" He said.

Tokyo 'Closely' Watching PRC Military Moves

OW3105105095 Tokyo KYODO in English 0925 GMT 31 May 95

[FBIS Transcribed Text] Tokyo, May 31 KYODO — Japan is closely monitoring China's military moves as a key factor in decisions on its economic cooperation with China, a government spokesman said Wednesday [31 May].

"In line with our Official Development Assistance (ODA) charter, we are watching the moves very closely," Chief Cabinet Secretary Kozo Igarashi said at a news conference, touching on China's test-firing of an intercontinental ballistic missile earlier this week.

"We will extend our economic cooperation with China within the scope of our ODA charter," he said, sidestepping a question on whether Tokyo will lodge a protest over the missile test or alter its aid policy toward Beijing.

Japan's rules on extending ODA call for taking into account the military spending, possession of weapons of mass destruction and arms exports of the recipient nation.

Japan decided last week to reduce its grant aid to China as a way of registering its disapproval of the neighboring country's continued nuclear testing.

At the time, however, Japan made clear it will not freeze its ODA to China in retaliation despite its ODA guidelines.

DA Obtains Chinese ICBM Test Launch Report

OW0106121295 Tokyo SANKEI SHIMBUN in Japanese 31 May 95 Morning Edition p 1

[FBIS Translated Text] The Defense Agency [DA] obtained on 30 May information that China conducted a test launching of its new intercontinental ballistic missile (ICBM) on 29 May. The new model is believed to be the "Dongfeng 31," which is the first Chinese missile propelled by a solid-fuel rocket and one that can be fired from a mobile launcher.

So far, China has been known to possess 14 ground-launched ICBM's with a range of 7,000-15,000 km, and 60-90 intermediate range ballistic missiles (IRBM) with a range of 2,700 km, among other offensive weapons. These missiles, however, are propelled by liquid fuel, the loading of which takes considerable time, and are launched from fixed silos. They are "outdated," (according to a DA source).

The "Dongfeng 31" is an improvement over these older models with their limitations. China is also believed to be in the process of developing the "Julang 2," a submarine-launched ballistic missile (SLBM) with nearly the same performance as the "Dongfeng 31." It is believed that with the deployment of these missiles, "China's nuclear power will be dramatically strengthened, enabling it to deal with nuclear warfare," (accoding to the same DA source).

Referring to an imminent Chinese test launch about which a Taiwanese newspaper reported recently, Tetsuya Nishimoto, chief of the DA Joint Staff Council, said on 25 May: "We have obtained information regarding Chinese plans to conduct tests with a new missile."

The DA has become very sensitive over the matter, considering that the latest missile test and "the recent nuclear test are closely related like the two sides of a single entity." It seems that the government, which just recently indicated its intention to scale down grant-in-aid programs for China in protest against the latter's recent nuclear test, will be pressed to respond anew to the latest development.

Delay Seen in Export-Import Bank Loans to PRC

OW0106110295 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Jun 95 Morning Edition p 5

[FBIS Translated Text] It is likely that there will be a considerable delay in plans to extend loans to the PRC via the Export-Import Bank of Japan which Finance Minister Masayoshi Takemura announced during his visit to China last January. The Japanese and Chinese Governments were initially scheduled to conclude a contract last spring but in the backdrop of the sharp appreciation of the yen against other currencies, the Chinese Government began insisting that the Japanese Government implement special measures that will apply to such aspects as interest rates in order to help reduce the payment burden. As a result, bilateral negotiations over this issue have stalled. The Japanese Government decision to scale down grant-in-aid programs to China following the recent Chinese nuclear tests also has something to do with the delay in the planned extension of loans. Regarding Japan's yen loan programs, which are for aid purposes, the stalling of negotiations between Japan and the developing countries over the issue of reviewing loan conditions has become noticeable, and it seems that this trend has also begun to affect commercial loans by the Export- Import Bank.

Loans to be extended to China via the Export-Import Bank are untied loans, which do not limit the borrower nation to procure materials strictly from Japanese suppliers. Japan plans to extend approximately $2 billion for 30 projects which include the construction of gas pipelines and airport runways. In contrast to yen loan programs, which are aimed at providing economic aid, what characterizes untied loans is that they are primarily used to fund projects to develop natural resources and improve cities' infrastructures. Japan and China began holding negotiations around late last year, and Takemura officially conveyed to the Chinese Government when he visited that country in January the Japanese Government's intention to extend the loans.

However, starting this year, the Chinese Government began demanding, among other things, that untied loans — which are normally yen-based, as a rule — be partially changed from yen-based to dollar-based loans so that it can avoid the risks of exchange rate fluctuations. Japanese Government and Export-Import Bank officials have asserted: "We cannot give special privileges to China alone." As a result, Japan and China are currently in a deadlock.

Moreover, since Japan has announced its intention to scale down grant-in-aid to China following the latter's recent nuclear tests, voices have been raised in some quarters of the government saying that regarding loans via the Export-Import Bank, "serious consideration must be given to current developments in the bilateral diplomatic relations" — thus, suggesting that the negotiations be discontinued. Although Japanese Government and Export-Import Bank officials ostensibly maintain that "economic aid programs and commercial loans via the Export-Import Bank are handled separately," they are cautious about making decisions on the loans at the moment.

Thus, it seems that as long as Japan and China continue arguing over grant-in-aid, plans to extend loans to China via the Export- Import Bank are likely to be delayed for a considerable time.

MOC To Introduce CALS to Public Works

OW2505232195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 May 95 Morning Edition p 1

[FBIS Translated Text] The Ministry of Construction [MOC] plans to introduce a new information management system to public works projects. It intends to apply to public works projects an integrated information system using electronic networks called CALS [continuous acquisition and life-cycle support], which is currently being studied by the industry. The system will enable public works authorities and firms receiving contracts to use their computer systems to exchange public works information, including orders, operations and management. Under the system, they will be able to quickly get such information as the state of progress on work. In addition, they will not have to keep an enormous number of of design drawings.

The ministry plans to provide as early as June information on public works orders under the general competitive bidding system to Internet, the worldwide information network, to help foreign companies secure a better chance in Japanese public works biddings.

The ministry intends to introduce the idea under the provisional name of the "Integrated Information System for Supporting Public Works." The CALS system it is based on — under which companies compile wide-ranging information on developments, production, and the placing and receiving orders, and exchange it on on-line — will be applied to the placing and receiving of public works orders. The ministry intends to set up its own study group on 25 May to initiate concrete steps, including the standardization of formats for exchanging electronic data with private-sector companies.

The U.S. Government aims to establish a CALS system for public works projects by the year 2000, and companies are preparing for that situation. Meanwhile, in Japan, the Japan Construction Information Center, a foundation collecting data on public works, has provided information on past public works contracts and placing orders. However, Japan lags behind the United States in terms of exchanging electronic data on public works, including designing and management. As the ministry, a major backer among government offices of public works projects, has clearly indicated its intention to establish a system incorporating CALS ideas, this will probably prompt domestic construction companies to adopt an electronic data exchange system for public works in the future.

As part of efforts to establish a new information system, the ministry intends to connect the Japan Construction Information Center with Internet as early as June. It believes that by widely providing to foreign companies the center's information on general competitive bidding, their chances of participating in bidding will be expanded and this will lead to the opening of the public works market. Some foreign countries, including the United States, have criticized the unclear procedures involved in Japanese public works bidding.

Authority To Indict Officials on Bid Rigging

OW3005152895 Tokyo KYODO in English
1513 GMT 30 May 95

[FBIS Transcribed Text] Tokyo, May 30 KYODO — Prosecutors will indict an executive of a public sewage company together with officials of nine electric firms for alleged involvement in bid rigging for sewage projects two years ago, investigative sources said Tuesday [30 May].

The Fair Trade Commission demanded in March that prosecutors open a criminal investigation into nine electric equipment companies for alleged violation of the Antimonopoly Law.

Prosecutors have decided to indict the executive of the Japan Sewage Works Agency as he allegedly helped the nine firms prearrange the shares of each successful bidder.

This is the first case for a semigovernmental body which calls for public tenders to be held criminally liable.

Subject to indictment along with the executive are officials of the electric companies in charge of the agency at the time of the alleged bid rigging.

The firms involved are five industry leaders — Hitachi Ltd., Toshiba Corp., Mitsubishi Electric Corp., Fuji Electric Co. and Meidensha Corp. — as well as four smaller companies — Yaskawa Electric Corp., Nissin Electric Co., Shinko Electric Co. and Takaoka Electric Mfg. Co.

The nine firms are suspected of fixing which companies would be successful bidders for electrical equipment installation projects ordered in fiscal 1993 by local governments through the Japan Sewage Works Agency, the public corporation in charge of sewage system construction, supervised by the Construction Ministry, the sources said.

The group allegedly decided that the five major companies among their number would take 75 percent of the money received in the transactions, while the smaller firms would share 25 percent, they said.

The agency's executive allegedly informed the manufacturers of its annual plan for sewage system construction and planned spending, the sources said.

Officials from the companies have admitted to investigators that they rigged bids, and representatives of the Japan Sewage Works Agency have also admitted to arranging bids at their superiors' requests, they said.

Prosecutors have questioned the agency's head Itaru Nakamoto over the case, and the president of one of the nine companies.

At a press conference in March, Nakamoto denied the agency's involvement in bid rigging.

BOJ on Building Healthy Financial System

OW0106110395 Tokyo KYODO in English
1005 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — The Bank of Japan (BOJ) on Thursday [1 June] stressed need to establish a strong and healthy financial system to help the recovery of the Japanese economy and promote structural adjustment needed for the recovery.

In a report on financial and economic developments in fiscal 1994 ended March 31, the central bank said the most important issue the financial system is facing is to overcome nonperforming loans.

"Financial institutions have not yet been able to make use of collected funds as a source of revenue for new fund management. There is still a long way to go before the bad loan problem is solved," the BOJ said.

The BOJ said banks' own efforts to secure funds needed to write off nonperforming loans are most important.

At the same time, it is important to prepare an environment to promote liquidation of inferior assets or real estate deposited as collateral, the central bank said.

To strengthen the financial system, the BOJ said deregulation must be promoted so that financial institutions can carry out inventive operations based on the principle of self-responsibility.

It said financial institutions also need to strengthen the [passage indistinct]

It is also important to promote development of infrastructures related to financial trading, including settlement systems and finance-related tax as well as legal and accounting systems. But the bank did not specify what systems should be reviewed.

According to the BOJ, the reason why the pace of the economic recovery has been slow is because the Japanese economy has been facing "structural adjustment pressure" stemming from the growth of emerging economies in East Asia, the yen's appreciation and the effects of the burst of the so-called bubble economy.

The industry of capital- and technology-intensive goods has been expanding, while that of labor-intensive goods has been shrinking, the BOJ said. "Whether the pace of economic recovery will accelerate depends on expansion of the superior fields."

"If growth accelerates in superior fields in the manufacturing sector, stimulating employment, it will probably make the economic recovery more sound by lessening employment adjustment pressure," the central bank said.

To create new business opportunities in the nonmanufacturing sector through lifting or easing of economic regulations will also contribute to the economic recovery, the BOJ said.

Tokyo City Considers Bailout Plan Withdrawal

OW3105110995 Tokyo KYODO in English
0900 GMT 31 May 95

[FBIS Transcribed Text] Tokyo, May 31 KYODO — The Tokyo metropolitan government is considering not submitting a supplementary budget incorporating financial aid for the bailout of two failed credit unions to a June session of the Tokyo Assembly, local government sources said Wednesday [31 May].

It will be difficult for the metropolitan government to provide 30 billion yen in low-interest loans within this year to a credit liquidation organization set up to dispose of bad loans held by the Tokyo-based credit unions — Tokyo Kyowa Credit Association and Anzen Credit Bank — which were dissolved due to lax management, the sources said.

Now that Tokyo Gov. Yukio Aoshima has decided to cancel an international exposition planned for next year in Tokyo in line with his election campaign promise, the local government expects him to follow his other commitments to oppose the use of taxpayers' money for the bailout plan, they said.

The local government therefore judged it would be better to take time to study other financing methods, they said.

Consequently, the bailout scheme worked out by the Finance Ministry and the Bank of Japan is likely to be modified, they said.

Under the central bank-funded scheme, the newly established Tokyo Kyodou Bank took over the assets and liabilities of the credit unions late in March and the credit liquidation organization is expected to write off all of about 70 billion yen in nonperforming loans purchased from Tokyo Kyodou bank over 15 years.

The Tokyo government was supposed to provide 30 billion yen in low-interest loans, which were expected to generate profits of 18 billion yen in 15 years.

The Tokyo Assembly, however, opposed the aid and froze the rescue plan, while setting aside the same amount in a special fiscal reserve fund.

The two credit unions went bankrupt last December with huge debts resulting from unrestrained lending to real estate developers and others during the "bubble" economy in late 1980s.

The Tokyo government's stance to seek a different way of support for the bailout plan came against the backdrop that Aoshima has pledged opposition to the 30 billion yen package and the assembly has also shown reluctance toward it, the sources said.

"Even if we succeed in persuading the governor to accept the initial scheme, the assembly is unlikely to approve it," a senior official of the metropolitan government said.

Among possible alternatives are to expand the metropolitan government's reserve fund of 18 billion yen to assist Tokyo-based credit unions and to make use of a joint credit purchasing organization now under consideration by the Tokyo Credit Union Association, the sources said.

Given coming personnel reshuffles in the local government, it will be after the June assembly session that any specific blueprint is drawn up, they said.

Bank Rescue Agency Takes on Bad Loans

OW0106103195 Tokyo KYODO in English 0947 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — Financial institutions unloaded a total of 21.6 billion yen [Y] of the principal of bad loans in May onto a rescue agency set up to bail out the nation's financial industry, the agency said Thursday.

The Cooperative Credit Purchasing Co., the rescue vehicle set up by the financial industry, said it paid only 6.8 billion yen for the 16 nonperforming loans, which bring about a huge aggregate loss to the financial institutions.

The agency said all these bad loans it purchased are backed up with real estate which original borrowers of the loans had put up as collateral.

The rescue agency said it managed to recover in may a total of 17.16 billion yen out of the cumulative balance of bad loans it had purchased from these financial institutions.

Since the rescue vehicle was set up in March 1993, financial institutions have unloaded onto it a total of 8,692.8 billion yen worth of the principal of bad loans, it said.

The agency has managed to recover a total of 198.56 billion yen worth of the outstanding debts through such means as selloffs of real estate put up as collateral, it added.

Merger of Mitsubishi, Tokyo Banks Viewed

OW0106050495 Tokyo BUNGEI SHUNJU in Japanese Jun 95 pp 176-182

[Article by Toyoo Gyoten, chairman of the Bank of Tokyo: "The Creation of the World's Largest Bank"]

[Text] When two companies discuss their possible merger, the final decision always lies with the chief executive officers of both companies. This rule also applies to bank mergers. It is not easy to merge two organizations with different structures, because this is not the same thing as merging two different products in physical or chemical experiments. It is possible to examine every imaginable problem in advance, but it is not possible to completely foresee the merits and demerits of a corporate merger. Thus, it definitely rests with the chief executive officers to make the final decision.

In this sense, the planned merger of Mitsubishi Bank and the Bank of Tokyo is the fruit of great efforts by their respective presidents: Tsuneo Wakai and Tasuku Takagaki. From start to finish, the merger discussions were carried out between the two presidents. As they may publish their memoirs in the near future, let's hope they will unveil the inside story of the merger.

I never personally participated in the negotiations but after each meeting with Mr. Wakai, Mr. Takagaki always gave me a complete briefing and exchanged views with me.

As I see it, it seems the two presidents deepened their mutual understanding in 1994. However, although they had made up their minds last year, the official agreement between the two banks was reached only this year because each had to win the consent of its own entourage. Figuratively speaking, we could say the romance began long ago, but the marriage was decided upon and approved only recently.

The official announcement of our planned union was scheduled for mid-April. However, the merger was made public two to three weeks ahead of schedule. To our surprise, some newspapers carried a story about our planned merger on their front pages on March 28. At first we were all embarrassed by the news reports. Some journalists told us the information was leaked from the Ministry of Finance, while some others said the Bank of Japan was the source. Although we received various reports, we still do not know who leaked the news to the press but we have no ill feeling against this person. On the contrary, we are thankful to him because, after all, we were able to officially announce our planned merger sooner and more easily.

Speculation has been rife for five or six years that Mitsubishi Bank and our bank would merge. "The speculation turned out to be true, after all," is probably what many people thought when they heard the news. Although there is no change in the combination itself, the important point is that there is a considerable difference between the current circumstances under which the two banks agreed to merge, and the situation of five years ago, when the speculation began.

This is Not a Rescue Merger

As a bank specializing in foreign exchange, we had extended huge loans to Latin American nations until 1982, when Mexico's failure to pay its financial debts triggered a serious credit crisis in this part of the world. As a result, we were overwhelmed by nonperforming Latin American loans.

Our bad loans exceeded 900 billion yen during the worst period. Under such circumstances, it was only natural for the public to think that we could no longer survive unless we merged with a well- managed, healthy bank.

Fortunately, we were able to tide over the difficulty single- handedly, through 10 long years of efforts. In 1982, we had more than 6,000 employees across the nation. Ten years later, our staff had been reduced to 5,000 persons. This corresponds to a personnel cut of more than 15 percent. Although restructuring is now the word of the day, I think companies that have been able to streamline their activities to that extent are still rare in Japan.

A series of international measures aimed at solving Latin America's debt problem were implemented after 1986, in line with the plan proposed by U.S. Treasury Secretary James Baker, and another plan proposed by his successor, Nicholas Brady. These measures included the debt-for-equity swap formula, under which creditor banks could sell their Latin American debts to any taker at prices that conformed to market prices. This financial arrangement helped us reduce our nonperforming loans.

However, since bad loans were only sold at a discount from their face value, debt-for-equity swaps inevitably resulted in a loss for us. In order to make up the loss, we made strenuous efforts to carry out cost reductions.

Fortunately, our efforts were supported by several factors. The rapid expansion of the Japanese economy helped us to improve our earnings. Our business opportunities grew in the United States and Asia as Japanese companies increased their overseas activities. The continued appreciation of the yen against the dollar after 1986 also turned out to be advantageous to us. Our burden was lightened because the value in dollars of our outstanding foreign loans decreased with the yen's rise.

We could gradually improve our asset structure and restore healthy management in this way.

Now the question is, "Why did Mitsubishi Bank and the Bank of Tokyo agree to merge at this period of time?" The answer is simple: Because the two banks found a new objective in their merger — to create a new bank capable of quickly responding to expected important changes in the financial services industry environment.

Since we arrived at a conclusion that Japan's financial service industry will be exposed to extremely keen competition 10 or 20 years from now, we have been reflecting on the following question: "What kind of choice do we have in terms of management, if we want not only to survive but also to secure a leading position in a highly competitive world?"

Mitsubishi Bank saw eye to eye with us over this question. The two sides agreed that the best choice would be to create a new institution by merging the two banks. Each side found the best merger partner to bring maximum complementary strengths.

Bank of Tokyo's Strength in International Banking and Mitsubishi Bank's Strength in Domestic Business

As the successor to the former Yokohama Specie Bank, we became the nation's sole specialized foreign-exchange bank. Like long-term credit banks, we belong to the category of special banks that are allowed to raise funds inside Japan through debenture issuances. We issue discount bank debentures and interest-bearing bank debentures, which are respectively called "Warito" and "Ritto."

The big advantage of a special bank is that it can raise funds very efficiently through debenture issuances. The disadvantage is that there is a restriction on the number of domestic branches. Meanwhile, an ordinary city bank, like Mitsubishi Bank, can attract a huge number of depositors. It can also offer a wide range of financial services such as consumer loans and housing loans to its depositors. These are the advantages of an ordinary city bank. The disadvantage is that fund-raising through retail business requires extra cost.

As the nation's only foreign-exchange bank, we have a huge international network. However, we have only 37 domestic branches, or about one-twentieth the number of domestic branches operated by Sakura Bank. With a total of some 600 branches, Sakura Bank ranks first among Japanese banks in this category.

In terms of dealings with corporate customers, we also have both strong and weak points. Unlike Mitsubishi Bank, we do not belong to any corporate grouping. Thus, our strength is that we can deal with any companies without regard to the business groups to which they belong. Our weakness is that because we do not have any affiliation with a specific business group, we cannot build a wide corporate client base.

In brief, we are very strong in international business, while we are relatively weak in domestic retail business, and dealings with corporate customers. Meanwhile, Mitsubishi Bank boasts a strong domestic business base but is weak in international operations. Mitsubishi Bank found that expanding its international network single-handedly was not a realistic move.

In other words, the Bank of Tokyo has strengths complementing those of Mitsubishi Bank, and vice versa. The planned merger will enable each bank to eliminate its weak point, while at the same time bringing its strength into full play.

As I mentioned above, the financial services industry environment is now changing rapidly. Regardless of whether they are individual or corporate, customers are taking on a different character. Thus they are in need of different financial services. Banks cannot survive unless they can quickly respond to these needs.

For instance, companies now tend to raise funds more through issuance of debentures and/or new stocks rather than through bank loans. Banks that depend too much on loans cannot keep going under such circumstances. Banks can no longer survive unless they deal with corporate customers in a more comprehensive way. Depending on the financing circumstances and purposes, companies choose the most favorable method to raise funds from a wide range of choices. Therefore, banks must also be prepared to offer across-the-board services in order to respond to their customers' needs.

Another point is the rapid globalization of the financial arena. The increase in overseas production and sales inevitably extends the field of activity of Japanese banks. Companies pick the most interesting market from among many international financial markets when they raise and invest money. In other words, corporate customers are in need of diversified and globalized financial services.

Another change in the business environment is that individual financial assets are carrying greater weight with the nation's economic activities. Japanese individual assets now amount to 1 quadrillion yen. In an aging society, how to make efficient use of these ample funds is a matter of primary concern. Regardless of whether they are an individual or a corporation, customers will choose the financial institution that responds to their concern by offering the best service through the release of prompt and accurate information.

As I mentioned above, our strength is our ample knowledge and expertise in international banking.

But our strength lies in more than just the size of the international division, which is much larger than those of other banks. Our long relations with foreign countries derive from our origins. The Bank of Tokyo was founded after World War II, as the successor to the Yokohama Specie Bank, which was a state policy corporation. The Japanese people wanted us to promote Japan's economic internationalization from the financial side. We also considered internationalization to be one of our primary duties. That is why we have even extended our business to countries shunned by other Japanese banks, in order to serve Japanese corporate and individual customers residing there. Asian countries, which are now called "emerging markets," were once neglected by other Japanese banks. Today, Asia is the most important part of the world, where high market growth is expected. Our accumulated knowledge about Asia, our past experience in Asia, and the human network we were able to build there over many years of efforts are our precious assets.

People can easily understand that the merger of Mitsubishi Bank and the Bank of Tokyo is a very viable marriage once they realize each partner brings with it strengths complementing those of the other.

We could finalize the merger plan with Mitsubishi Bank because a number of positive factors suddenly emerged at the beginning of this year, in addition to the above-mentioned advantages.

First, a perfect consensus was formed between the chief executive officers of both sides. Second, Mitsubishi Bank finally completed its acquisition of the troubled Nippon Trust and Banking Co., while the Bank of Tokyo almost finished clearing its books of foreign and domestic bad loans. Third, there were signs that the financial authorities — such as the Ministry of Finance, the Bank of Japan, and the Fair Trade Commission — would actively support our merger plan. No one tried to intervene in our negotiations or counteract our merger plan. The fourth factor was the progress of financial deregulation. Barriers between different types of banking institutions were lowered in 1991, following the enactment of the Merger and Conversion Law. As a result, most mutual savings and loan banks were converted to ordinary commercial banks. Moreover, barriers between banks and securities firms were also lowered in 1993, following the revision of the Securities and Exchange Law. Banks were allowed to operate securities affiliates, and vice versa.

These measures reflected a change in the attitude of the Japanese administration. "We should never let a financial institution go bankrupt" — based on this thinking, Japanese financial institutions have been protected by the so-called "escort fleet" system, and have remained immune to failure. However, the administration recently changed its policy and decided to promote financial liberalization and to expose the financial world to free competition and natural selection.

Since the financial world will be governed by the law of the survival of the fittest, the establishment of healthy and competitive banks is, in effect, more than welcome by the financial authorities. That is why our merger plan quickly won their blessing.

Our planned merger will undoubtedly result in the creation of the world's largest bank in terms of assets, since our combined assets will exceed 70 trillion yen. However, this does not automatically mean that the new bank will also become No. 1 in terms of quality. We have to clearly understand this point.

The Power of Japanese Banks Was Overestimated

Japanese banks could raise ample low-cost funds during the so- called bubble economy period. These funds enabled them to increase their overseas shares. In New York, Japanese banks' loans once amounted to 15 percent of total corporate loans extended by all commercial banks. In London, Japanese banks' assets once amounted to 25 percent of total assets held by all commercial banks. Therefore, in the latter half of the 1980's everyone thought that Japanese banks had also become extremely strong on the international front. At that time, Japanese banks also held the first 10 places in the world as regards total assets, thanks to a stronger yen, which considerably increased the value in dollars of Japanese banks' assets. Thus people came to believe even more that Japanese banks had secured a dominant position in the international financial world.

However, this was a misjudgment. Japanese banks were able to maintain a superior position simply because they had an advantage over foreign banks in being able to make efficient use of ample low- cost funds. What will happen to Japanese banks after this advantage has disappeared? This is a very important question that demands serious consideration.

Japanese banks' international operations mostly focus on dealings with Japanese-affiliated companies. They have little connection with local foreign companies. In this sense, we have to say that their degree of internationalization is still low.

Of course, there are some exceptions, such as the case of Union Bank. This California-based bank is now owned by us, but it naturally continues to deal mainly with local non-Japanese customers.

An international bank in the true sense of the word is a multinational bank that raises funds from all over the world, calls in the best brains from all over the world, and offers services to individual and corporate customers of the world. Such a bank does not exist in Japan at the moment. The Japanese banking industry is far behind other Japanese industrial sectors in terms of internationalization. Meanwhile, American and European banks are making steady progress in that direction. Their activities in Tokyo, Hong Kong, and Singapore clearly show that they are becoming increasingly globalized. Their comprehensive strengths are formidable. Thus, we still have to make strenuous efforts in order to become one of the world's leading banks.

In order to give full play to our complementary strengths, we have to achieve substantial cost savings through the introduction of highly computerized systems, and efficient use of our work forces. We have to implement a comprehensive restructuring program to maximize the benefits of our size. Otherwise, complementary strengths and economies of scale will not produce favorable results. The two banks will have to act in perfect harmony to carry out restructuring.

Positive Factors For a Comprehensive Restructuring

In the past, when two city banks merged into one, the new bank used to preserve the personnel affairs divisions of both sides. It usually took the combined bank as long as 20 years to complete personnel integration. But now, the environment encompassing the financial world is changing rapidly. For instance, social values and labor customs are not the same as they were in the past. Japanese society is expected to undergo further important changes over the next 10 years. Therefore, we hope that our integration will prove fruitful more quickly.

Many people have said to us, in essence, "Mitsubishi Bank and Dai-Ichi Kangyo Bank once tried to reach a merger agreement; but their negotiations broke off because Dai-Ichi Kangyo Bank feared that it would be completely absorbed and disappear if it merged with a major bank belonging to a strong business group. Don't you feel such misgivings?" Of course I cannot say, "No one in our bank is worried about that."

But I think this is a needless worry because both sides carefully examined the merits and demerits of the merger plan before making a decision, and because "zaibatsu" and business group-consciousness are fading away with the changing times. A corporate merger is like a marriage. The most important psychological condition for a successful merger is whether or not each partner can not only trust but also respect the other.

I would like to stress, once again, that we are not aiming at becoming the world's largest bank in terms of assets. Markets are now changing. Customers are also changing. How should we change under this current of the times? We and Mitsubishi Bank chose to merge after due consideration toward that question. The success of the combined bank will depend on management ability and cooperation from the parties concerned, as well as domestic and international economic conditions. We have many obstacles ahead, but we and Mitsubishi Bank will work together as hard as we can.

Yamaguchi 'Ready To Testify' on Financial Scam

OW0106060095 Tokyo KYODO in English
0435 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — Former Labor Minister Toshio Yamaguchi is ready to testify before the Diet on a financial scandal involving two bankrupt credit unions, an opposition lawmaker said Thursday [1 June].

If his testimony is realized, Yamaguchi will be the first politician to testify in the Diet on the financial scandal involving Tokyo Kyowa Credit Association and Anzen Credit Bank.

Yamaguchi, once a senior member of the main opposition party Shinshinto (New Frontier Party), quit the party following the revelation of shady loans to companies run by his relatives from the two credit unions — Tokyo Kyowa Credit association and Anzen Credit Bank.

Prosecutors are investigating a series of suspected illegal loans made by the two credit unions. The former presidents of the two institutions have been accused of breach of trust by extending such loans, knowing they could not be collected.

The ruling coalition has demanded that former Defense Agency Chief Keisuke Nakanishi of Shinshinto, who resigned as a Diet member, also testify before the Diet on the case as he is known to have close links with one of the presidents of the two credit unions.

Nakanishi, who was the top aide to Shinshinto Secretary general Ichiro Ozawa, was earlier reported to have had close links with Harunori Takahashi, the former president of Tokyo Kyowa.

In the case, 10 people, including the two presidents and former Bank of Japan Governor Yasushi Mieno, have been called to the Diet for testimony.

The Finance Ministry and the Central Bank drafted a bailout plan calling for an infusion of public money to a special bank set up to take over operations by the two failed credit unions.

Murayama Aide Linked to Ex-Credit Union Boss

OW2605112895 Tokyo KYODO in English
0946 GMT 26 May 95

[FBIS Transcribed Text] Tokyo, May 26 KYODO — A secretary to Prime Minister Tomiichi Murayama with ties with a leading figure in a credit union financial scandal was transferred back to the Finance Ministry on Friday [26 May].

Tadashi Iwashita, who was a career bureaucrat with the Finance Ministry before he was appointed as the premier's secretary, was assigned to a senior post in charge of international financial affairs at the ministry.

Iwashita's ties with Harunori Takahashi, former president of the now-defunct Tokyo Kyowa Credit Association, who stands accused of breach of trust, came to light in the development of the major financial scandal involving Tokyo Kyowa and another credit union, Anzen Credit Bank.

Iwashita's relations with Takahashi came under fire in the Diet.

Murayama, however, dismissed the criticism of Iwashita, saying he had not breached the ethics governing public employees.

Chief Cabinet Secretary Kozo Igarashi, who questioned Iwashita twice about his relationship with Takahashi, also reported there was no ethical problem in the association.

Murayama Urges Resolution on Aggression

OW3105111495 Tokyo KYODO in English
1052 GMT 31 May 95

[FBIS Transcribed Text] Tokyo, May 31 KYODO — Prime Minister Tomiichi Murayama said Wednesday [31 May] he expects a proposed Diet resolution marking the 50th anniversary of the end of World War II to express remorse for Japan's past aggression and colonial rule.

Murayama made the pitch at his official residence at a time when the three ruling coalition parties are engaged in an eleventh-hour attempt to draft such a motion.

The premier said a Diet resolution must be adopted to express Japan's repentance for its wartime wrongs against other Asian countries, since the three parties agreed in their policy accord last June to strive to that end.

He also said his cabinet approved his first policy speech before the Diet in which he voiced remorse for Japan's aggression and colonial rule.

Murayama was evasive on whether he had said earlier Wednesday that he, as head of the Social Democratic Party, a component of the tripartite coalition, and the government will have to face any failure of the resolution with "grave determination."

"I didn't talk about grave determination but said that my stance will not change at all as it is the three parties' agreement," he said.

The three ruling parties, including the Liberal Democratic Party and New Party Sakigake, are supposed to come up with a draft of a no-war Diet resolution by Wednesday.

But wide gaps in historical perceptions have made it uncertain whether they can find a middle ground over the specifics of such a declaration.

Resolution Talks Fail; Final Decision by 2 Jun

OW3105123195 Tokyo KYODO in English
1203 GMT 31 May 95

[FBIS Transcribed Text] Tokyo, May 31 KYODO — The three-way ruling coalition failed Wednesday [31 May] to reach an agreement on a Diet resolution marking the 50th anniversary of the end of World War II, and coalition sources said the parties will try to come to a conclusion by June 2.

The rupture in talks on the proposed Diet resolution came shortly after Prime Minister Tomiichi Murayama said he expects the Diet resolution to express remorse for Japan's past aggression and colonial rule.

The premier said a Diet resolution must be adopted to express Japan's repentance for its wartime wrongs against other Asian countries, since the three parties agreed in their policy accord last June to strive to that end.

He also said his cabinet approved his first policy speech before the Diet in which he voiced remorse for Japan's aggression and colonial rule.

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The three ruling parties, including the Liberal Democratic Party and New Party Sakigake, are supposed to come up with a draft of a no-war Diet resolution by Wednesday.

But wide gaps in historical perceptions have made it uncertain whether they can find a middle ground over the specifics of such a declaration.

Sakigake's Tanaka Urges 'No-War' Resolution

OW0106105195 Tokyo KYODO in English
1012 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — A proposed Diet resolution commemorating the 50th anniversary of the end of World War II must express remorse for Japan's wartime aggression and colonial rule in other parts of Asia, a senior ruling coalition official said Thursday [1 June].

"I personally want such a resolution to include the terms 'acts of aggression' and 'colonial rule' at all costs," said Shusei Tanaka, acting leader of New Party Sakigake, one of the three ruling parties.

A key strategist of Sakigake, led by Finance Minister Masayoshi Takemura, Tanaka said in a lecture that acknowledgement of Japan's wartime wrongs would allow it to gain a diplomatic advantage over other nations that also perpetrated aggression and colonial rule.

"I am pretty sure this is a fairly future-oriented approach," he said, noting the admission of a "no-war" motion over Japan's past misdeeds would automatically lead to an expression of remorse and offer of an apology.

The three coalition parties, also including Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) and Foreign Minister Yohei Kono's Liberal Democratic Party (LDP), failed to come up with a draft declaration on the initial deadline of Wednesday, postponing a conclusion till Friday.

While Murayama says he expects a proposed motion to express repentance for Japan's past aggression and colonial rule, the ruling forces remain at loggerheads over the wording, reflecting wide gaps in historical perceptions.

Murayama said Wednesday a Diet resolution must be adopted to express Japan's remorse for its wartime wrongs against other Asian nations, since the three parties agreed in their policy agreement last June to strive for passage of such a motion through the Diet this year, which marks the 50th anniversary of the war's end.

The SDP and Sakigake demand the terms "acts of aggression" and "colonial rule" be included in a draft motion, but the LDP, the dominant force in the governing alliance, remains recalcitrant.

In the face of the LDP's uncompromising stand, the SDP and Sakigake are threatening to break up the coalition if the three parties fail to find any middle ground over the specifics of an antiwar declaration.

With the number of its parliamentary seats far short of a majority, the LDP could lose its grip on power should the SDP and Sakigake opt to quit the coalition.

But a number of conservative LDP legislators stand firmly against acknowledging the nation's past aggression and colonial rule.

The SDP, for its part, regards the question of a Diet resolution as a last resort to demonstrate its identity, which many believe has been all but lost through the party's series of shifts in traditional policies.

Murayama, who has been widely criticized for lacking in leadership as the head of government, calls for the inclusion of the term "aggression and colonial rule," saying he used it before the Diet last September in his policy speech and it was approved by the cabinet.

Murayama Dismisses Call for Resignation

OW0106085295 Tokyo KYODO in English
0826 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 KYODO — Prime Minister Tomiichi Murayama brushed aside a call for his resignation Thursday [1 June], saying there are numerous problems that require his attention.

At a plenary session of the House of Representatives, Murayama said, "we've got a mountain of problems, such as those concerning the great Hanshin earthquake, the sarin gas attack on the subway and the sharp appreciation of the yen."

He was responding to a call by Kenji Kosaka of the leading opposition Shinshinto (New Frontier Party) to step down to take responsibility for the alleged mishandling of various issues.

Murayama pointed to his "achievements" since taking office in June last year, including streamlining of government-backed organizations, tax and pension reforms and promotion of local autonomy.

Murayama also dismissed Kosaka's call to sack Defense Agency Director General Tokuichiro Tamazawa due to findings that many Self- Defense Forces (SDF) personnel are members of the religious sect Aum Shinrikyo, suspected of launching the sarin gas attack, and have been involved in the cult's alleged criminal activities.

"I would like to see Mr. Tamazawa complete his task as Defense Agency chief," he said.

Tamazawa also rejected the call for his resignation, saying, "my task is to establish an SDF that is trusted by the people." "I have no plan to abandon my obligations by leaving my office."

Some SDF followers of Aum have been arrested in connection with the various crimes that the cult group is thought to have committed, including an alleged break-in at a research and development center of Mistubishi Heavy Industries Ltd. by a Ground Self-Defense Force (GSDF) member.

Ruling Parties Expect New Accord Around 10 Jun

OW2905130495 Tokyo KYODO in English
1224 GMT 29 May 95

[FBIS Transcribed Text] Tokyo, May 29 KYODO — The three ruling coalition parties decided Monday [29 May] to map out a new coalition agreement by around June 10 as the July House of Councillors election draws close, coalition officials said.

"It is crucial for our coalition government to clarify our concerns and relay them to the people in the election," Prime Minister Tomiichi Murayama told a meeting of coalition leaders earlier Monday.

"I would like to have our policy tasks specified and policies clarified," he added, alluding to issues coming up for deliberation during an extraordinary Diet session in the fall and the drafting of next year's budget.

Murayama said he wants policy-makers of his Social Democratic Party (SDP), the Liberal Democratic Party (LDP) and new party Sakigake [Harbinger] to work out by around June 10 the proposed new agreement that is to replace the one that led to the formation of the tripartite coalition government last June.

With the new agreement as its platform, the coalition hopes to enhance its voter appeal in the upcoming election. By demonstrating their will to stick to the current coalition regardless of the election results, the ruling parties also aim to prevent the major opposition Shinshinto (New Frontier Party) from gaining strength.

There are, however, some within the coalition who acknowledge the need for a new policy agreement, but would rather like the three parties to campaign on separate platforms.

SDP Secretary General Wataru Kubo was one of those expressing concern that a new policy agreement could bind the candidates' hands during the election campaign.

"In elections, the ruling parties are competing with each other in many areas, but (with the agreement) it might also become difficult to fight," he said.

"As a government we should coordinate the promises we make, but as for campaign promises each party has to make its own," Kubo said.

Finance Minister Masayoshi Takemura of new party Sakigake, while supporting Murayama's call for an early agreement, insisted that the coalition also set deadlines for "when we intend to implement policies."

Leaders of the ruling coalition agreed to work out such an agreement last Thursday and initially intended to begin drafting it after the current Diet session closes on June 18.

But at Monday's meeting, Murayama urged coalition policy-makers to finish the paper before the summit of the Group of Seven (G-7) major economic powers opens in Halifax, Canada, on June 15, arguing that "it might be difficult to discuss matters after the end of the Diet session."

LDP Ready To 'Assume Power' After Election

OW2905100795 Tokyo KYODO in English 0945 GMT 29 May 95

[FBIS Transcribed Text] Tokyo, May 29 KYODO — The Liberal Democratic Party (LDP) will try to win a majority in the House of Representatives in the next general election and is ready to assume power after the poll, a top LDP official said Monday [29 May].

"If that is the case, it is certain that the government will be that of the LDP. If we become the No. 1 party, the cabinet will certainly be led by the LDP," LDP Secretary General Yoshiro Mori said in a speech at LDP headquarters.

But Mori did not count out the possibility of maintaining a coalition with the Social Democratic Party and new party Sakigake [Harbinger].

"It's good to be ready to work together with the SDP and Sakigake from a broad viewpoint," he said.

Mori said he believes Prime Minister Tomiichi Murayama's cabinet will continue at least until the next general election.

He reiterated the July House of Councillors election will be a confidence vote in the tripartite ruling coalition, and said the election results should be assessed from the viewpoint of whether the people support the coalition.

Funada Interviewed on Political Realignment

OW0106003995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 May 95 Morning Edition p 2

[Interview with Hajime Funada, a member of the New Frontier Party (NFP), by an unidentified NIHON KEIZAI SHIMBUN reporter; date and place not given]

[FBIS Translated Test] On Equal Terms with YKK [subhead]

[NIHON KEIZAI SHIMBUN] Under the banner of "toward the public election of the prime minister," you are trying to ally with the so- called "YKK trio," a group comprised of Taku Yamazaki, chairman of the Diet Affairs Committee of the Liberal Democratic Party [LDP], and two others. What are your motives?

[Funada] Prime Minister Tomiichi Murayama lacks political leadership; the government system needs to be enhanced; and the Constitution does not clearly stipulate the authority of the prime minister. We have various problems. I think most of them will be solved if the prime minister is selected not by the parliament, but by public election.

[NIHON KEIZAI SHIMBUN] Why did you choose YKK as a partner?

[Funada] Some people in YKK once made the same remarks as I just have, and they formed a dietmen's alliance. Because I knew the moves they made, I thought they might contact me. But I did not expect they would come to me this fast.

[NIHON KEIZAI SHIMBUN] Some say YKK is only using you.

[Funada] Who will take leadership does not matter. We are on equal terms in discussing various issues. Although I have no idea what they really think, I sometimes have the impression that they are going a bit too far. Taking advantage of this opportunity, I want to discuss politics in general with them. But it is too early to say that our move will lead to another political realignment and the formation of a conservative-conservative alliance. I suppose you would not believe me, but I take politics seriously from the bottom of my heart."

[NIHON KEIZAI SHIMBUN] There is a view that bridging the "generation gap" is your objective in allying with YKK.

[Funada] I never draw a line between the older and the younger, or between the experienced and the unexperienced, in the political world. What I mean is, I rather sympathize with politicians of the relatively younger generation and it is possible for me to take joint action with them.

[NIHON KEIZAI SHIMBUN] Do you intend to reach more people in addition to the LDP?

[Funada] The current cabinet is comprised of people with different ideologies and policies. It stresses the importance of discussing wide-ranging issues with a variety of people with different opinions while overstepping the existing framework of political parties. We may be able to link with part of the Social Democratic Party of Japan [SDPJ] and New Party Sakigake [Harbinger], depending on the issues. It is not wise to confine ourselves to the idea of forming a conservative-conservative alliance between a part of the NFP and a part of the LDP. Basic Policies Need To Be Improved [subhead]

[NIHON KEIZAI SHIMBUN] When is the right time for the next political realignment?

[Funada] Under the single-seat election system for the House of Representatives, voters are forced to choose from only two candidates. It would be meaningful if an existing party could demonstrate how distinctive it is from others. However, with no effort to improve it, elections held under this system will eventually turned into a popularity poll for each candidate. Whoever makes greater contributions to the local people will be elected. Therefore it is desirable for us to engage in coordination over ideologies and policies before the next House of Representatives' election. One thing I am concerned about is that we have no choice but to have the next election under the current political framework, as each party is busy discussing which candidate it should grant an official endorsement. Ozawa's Colors Fading [subhead]

[NIHON KEIZAI SHIMBUN] You said that the NFP has a problem in its party operation.

[Funada] The atmosphere in the party is not quite right, probably because the leadership does not have much discussion these days. In addition, younger members have less chance to speak up in a free, casual manner. As for party policies which have been discussed at "tomorrow's cabinet" and the policy council, no consistency is found, as the NFP failed to integrate its ideas in these forums.

[NIHON KEIZAI SHIMBUN] What about your delicate relations with Secretary General Ichiro Ozawa?

[Funada] Mr. Ozawa, when he was in a ruling party, demonstrated his principles by exercising his quite-powerful "follow-me" leadership. There were times when he was criticized as being strong-armed and high-handed, but it was these qualities that attracted us. In the current political world, it is only Mr. Ozawa who can demonstrate and act upon his beliefs with powerful leadership. Now that he is in the opposition, it appears his "colors" have faded a little. He no longer reveals his thoughts and principles. It can be said that he is becoming democratic in a sense. I hope he will open himself to talk frankly with all of us.

SDPJ's Fate, New Party Formation Discussed

OW3105110595 Tokyo SANKEI SHIMBUN in Japanese 28 May 95 Morning Edition p 2

[Editorial: "SDPJ's Extraordinary Party Convention Fails To Put Forth Path New Party Will Follow"]

[FBIS Translated Text] On 27 May, the ruling Social Democratic Party of Japan [SDPJ] held an extraordinary party convention to adopt a "1955 manifesto," which forms the basis of the idea to form a "new democratic and liberal party" and decide on an "action plan" that include procedures for forming the new party. In this way, the SDPJ's extraordinary party convention paved the way for the SDPJ to disband itself and form a new party. Although the SDPJ claimed that the extraordinary party convention set a clear direction for the new party to move in the future, the convention entrusted the issue of when to form the new party and other issues to a preparatory committee. As a result, it can be said that the SDPJ's extraordinary party convention failed to put forth a path for the new party to follow in the future.

The SDPJ exposed its perennial intra-party feud during the extraordinary party convention, thereby showing that the SDPJ is still heavily divided. The SDPJ showed no eagerness to regenerate itself and even made the people feel that it would be unable to form a new party and cease to exist as a matter of course.

The SDPJ has been locked in a bitter intra-party feud over the formation of a new party since last November. While a group (rightist group) backing Secretary General Wataru Kubo has pushed for forming the new party, other groups (centrist and leftist groups) supporting Prime Minister Murayama have been cautious about forming the new party, with another Constitution-protection group opposing the formation of the new party.

In March, the SDPJ decided to form a "new party prior to upper house elections," but the decision was scrapped following a rollback by the groups that had opposed or been cautious about forming the new party. During the discussion of how to handle the "1995 manifesto" during the extraordinary party convention, the group backing Secretary General Wataru Kubo insisted on making the manifesto a "party platform document," but the group supporting Prime Minister Murayama reacted against the insistence. As a result, the "1995 manifesto" was downgraded to a political declaration.

Meanwhile, the extraordinary party convention decided to postpone discussing how to handle an application from former SDPJ Chairman Yamahana and other members for bolting from the SDPJ. It can be said that the SDPJ leadership worked to prevent the intra-party feud from intensifying and held the party together.

While the group supporting the prime minister aims to transform the SDPJ into a new party, the Constitution-protection group, which views the Self-Defense Forces [SDF] as "unconstitutional," clearly objects to the party's policy shift in recognizing the SDF as being "constitutional." If the SDPJ is transformed into a new party, this will entail more than just a name change.

The biggest issue is that all SDPJ members have not taken their party's crushing defeat in local elections as a crisis facing their party. What the Constitution-protection group has insisted on is a good example of the case. Prime Minister Murayama himself, who said no new party would be formed before the upper house elections are held, has shown no sense of crisis. The prime minister seems to be anticipating a loss of SDPJ seats in the upper house elections, and it would be impossible for the SDPJ to form a new party after those elections, in which it is expected to suffer another crushing defeat.

While the old Yamahana group, which is eager to create a new party, has formed a study council, the Constitution-protection group opposing the formation of a new party is moving toward forming a discussion council. The extraordinary party convention succeeded in shaping a party consensus on forming a new party, but this is deepening the intra-party feud and animosity. We believe that a prerequisite for forming a new party is a clean division of the SDPJ. Otherwise, the formation of a new party will end in "empty talk."

North Korea

Paper Calls South Korean Model Reactors 'Bogus'

SK0106101595 Pyongyang KCNA in English 1005 GMT 1 Jun 95

["Why Do They Insist on Bogus?" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — NODONG SINMUN today comes out with a commentary denouncing the far-fetched argument of the United States and the South Korean authorities about the bogus light-water reactors of "South Korean model".

The news analyst of the paper says: The light-water reactors (LWR) which they claim are manufactured in South Korea are none other than ones of the United States, a suzerain state.

The "South Korean model" reactors are U.S. ones with the South Korean brand.

Their offer of provision of non-existent "South Korean model" reactors to the Democratic People's Republic of Korea is absurd. It was prompted by a very sinister political purpose.

The expression "South Korean model" LWRS was invented by the South Korean puppets as soon as the issue of the provision of LWRS was raised at the DPRK-U.S. talks.

The South Korean puppets are entreating the United States to make their demand accepted, in an attempt to poke their nose into the implementation of the DPRK-U.S. agreed framework and put a spoke in it.

In playing on the entreaty of the South Korean puppets, the United States intends to improve their public image and stifle the DPRK with their help.

The option for the LWRS does not belong to the United States or South Korean puppets but to the DPRK, the purchaser.

No one is in a position to force the model of LWRS upon the DPRK.

The DPRK has no intention to waste time with DPRK-U.S. talks having no fruit. The objective situation does not allow it.

If the United States has the will to implement the DPRK-U.S. agreed framework it must approach it with a responsible and sincere stance.

If the South Korean puppets continue their foolish efforts to take part in the implementation of the DPRK-U.S. agreed framework and hamper it, they will pay dearly for it.

Offer To Supply 'Nonexistent' Reactors Denounced

SK0106150595 Pyongyang Korean Central Broadcasting Network in Korean 1226 GMT 1 Jun 95

[NODONG SINMUN 1 June commentary: "Why Are They Continuously Talking About Nonexistent Things?"]

[FBIS Translated Text] The United States and the South Korean puppets are continuously claiming there are South Korean-type light-water reactors. This is an absurd insistence.

Contrary to their insistence, South Korean-type light-water reactors do not exist. The so-called South Korean-made light-water reactors are none other than ones from the United States, a suzerain state. That is, they were designed by the United States and were manufactured with U.S. technology.

Even nuclear energy-related South Korean officials have acknowledged that South Korea is not capable of designing light-water reactors. An Eighth U.S. Army broadcast also reported that South Korean-type light-water reactors are entirely under the U.S. leadership [chudogwon].

The honorary chairman of South Korea's Engineers Association stated that a persistent demand for the supply of the nonexistent South Korean-type light-water reactors would only bring about denunciation.

In light of the current state of South Korea's nuclear industry, which totally relies upon U.S. design and technology, a lawmaker of the Democratic Liberal Party of South Korea stated that South Korea is the only country in the world that serves as a nuclear power plant experimental station of a U.S. enterprise, without a safety guarantee.

Japan's ASAHI SHIMBUN exposed that the insistence on supplying South Korean-made light-water reactors to someone arises from an ambition to dash into the commercial war of reactor exports with someone else's technology.

In some Western countries, public opinion is circulating that the South Korean-type light-water reactor commotion originates from an ambition to gain one's advantage by using someone else's technology.

As the world acknowledges, the so-called South Korean-made light-water reactors depend totally on the United States in their design and technology. In short, the so-called South Korean-type light-water reactors are U.S. ones with the South Korean brand.

The offer to supply nonexistent South Korean-type light-water reactors to us is absurd and implies very insidious political purposes.

The expression "South Korean-type light-water reactors" was promptly invented by the South Korean puppets as soon as the issue of the provision of light-water reactors was raised at the DPRK-U.S. talks. Their aim was to put the brakes on the implementation of the DPRK-U.S. agreed framework by meddling in it. Since then, the South Korean puppets have desperately tried to have the United States accept their demand.

What matters is that the United States intends to improve their public image and stifle [apsal] us with their help, playing on the entreaty of the South Korean puppets.

The South Korean type of light-water reactor is nothing but a result of this maneuver. The trick to brand U.S. reactors as South Korean ones can never work. It is we, the purchaser, not the United States or South Korean puppets, who have the right to choose the type of light-water reactors. The world's broad public opinion insists that the option for light-water reactors belongs to us. No one is in a position to force us to accept a certain type of light-water reactor.

The world hopes for a successful implementation of the DPRK-U.S. agreed framework. If the United States tries to create obstacles to implementing the agreed framework, attempting to provide us with its light-water reactors with someone else's brand, it will face greater denunciation and protest.

We have no intention to waste time with fruitless talks with the United States. The objective situation does not allow it. If the United States has the will to implement the DPRK-U.S. agreed framework, it had better approach it with a responsible and sincere attitude.

If the South Korean puppets continue their wicked efforts to impertinently take part in the implementation of the agreed framework and hamper it, they will be made to pay dearly for it.

Envoy: Reactor Talks With U.S. at Deadlock

LD3105190895 Moscow ITAR-TASS in English 1852 GMT 31 May 95

[By Vladimir Suprun]

[FBIS Transcribed Text] MOSCOW, May 31 (Itar-Tass) - The talks between North Korea and the United States on deliveries of light-water reactors have come to a deadlock and are on the verge of collapse, North Korean Ambassador to Moscow Son Sung-pil said in an interview with ItAR-TASS today. The ambassador pointed out that if the talks end to no avail, the blame for the failure of the talks should be put on the U.S. which will bear a full responsibility for its "short-sighted position."

The North Korean ambassador resolutely denied media reports alleging that North Korea had yielded to the U.S. pressure during the second round of talks underway in Kuala Lumpur. The ambassador stressed that North Korea had not changed its position rejecting the U.S. proposal to supply the South Korean equipment to replace graphite reactors which North Korea has now.

According to Son Sung-pil, the United States continue efforts to dictate its will to North Korea. "We have not adopted a decision yet to interrupt the talks in Kuala Lumpur, but if the talks break down, we stand to lose nothing. North Korea has its own reactors and it will continue to use them," the ambassador said.

Chondoists Urge South To Release Religionists

SK3105052795 Pyongyang KCNA in English 0442 GMT 31 May 95

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — The central guidance committee of the Korean Chondoists Association in a statement May 30 held that the Kim Yong-sam group must stop at once its unjust trial of leader An Ho-sang and his companion, motivated by the purpose of foiling the August 15 grand national reunification festival, and release them unconditionally.

"The leader and his companion, during their stay in Pyongyang in April, called at the tomb of King Tangun, the ancestral father of the nation worshipped by Taejonggyo, to express etiquette, held a service in commemoration of the 'Tangun's Ascension Day' and saw round historical relics," the statement said.

"If it is incriminated, do they mean to treat all the Christians and Buddhists believing in Jesus and Buddha as criminals," the statement questioned.

"The Kim Yong-sam puppet clique are trying to magnify the 'crime' of the leader and his companion taking issue with their 'expression of condolence'. This is a new crime added to the crime for all ages committed during the mourning period," the statement noted, criticising it as a never-to-be-condoned anti-ethic crime.

It went on to say:

"In spite of the puppets' unjustifiable nonpermission, all the Koreans in the North, South and overseas have turned out in the struggle to successfully hold the August 15 grand national reunification festival.

"The Kim Yong-sam group must give up at once the foolish scheme to check the grand reunification festival to be held in Panmunjom."

The statement expressed the conviction that people from all walks in life of South Korea including the believers of Chondoism and Taejonggyo would launch more valiantly the struggle to topple the Kim Yong-sam group, an anti-nation and anti-reunification group.

Kim Yong-sam Criticized on Religionists Issue

SK0106051195 Pyongyang KCNA in English 0444 GMT 1 Jun 95

["Dog Kenneled in 'Chongwadae'" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — NODONG SINMUN today comments on two treacherous acts committed recently by the Kim Yong-sam group, which clearly prove that it is a physiology of traitors to the nation to act ferociously against the fellow countrymen like a pack of wolves and curry favour with outside forces like poodles.

A news analyst of the paper says:

The Kim Yong-sam group demanded a penalty against An Ho-sang, leader of South Korean Taejonggyo, and his companion who had visited Pyongyang, toured the tomb of King Tangun and held a memorial service for "Tangun's ascension day". An Ho-sang taught Kim Yong- sam when he was in school days.

In another developments, the traitor Kim Yong-sam invited a son of a Japanese and his party to South Korea and treated them hospitably, crying that the Japanese was his former "teacher". As for the Japanese, he was a head teacher of a middle school at which Kim Yong-sam studied during the Japanese imperialist rule over Korea.

The traitor Kim Yong-sam handcuffed his former teacher An Ho-sang rather than praising his good-intentioned tour of the North for national reunification. This is an anti-national, anti-ethical crime which can be committed only by beasts in human skin.

He praised as his "teacher" an enemy of the Korean nation who took an active part in the colonial slave education by the Japanese imperialists. Not content with this, he invited his son to South Korea and entertained him with hospitality. This can be committed only by such fools and idiots as the ignorant traitor Kim Yong-sam who does not know what the teacher means and who is a friend and foe.

A dog is kenneled in "Chongwadae". The traitor Kim Yong-sam is not concerned about the fellow countrymen and has no obligation nor the spirit of the nation nor ethics and morality and bites his teacher. Nothing can be done well in South Korea because he is now committing fascist and treacherous acts at randam.

A mad dog must be beaten to death to get rid of the source of evils.

Foreign Groups' Statements on Kwangju Incident

Peru, India, Mali

SK2605213495 Pyongyang KCNA in English 1516 GMT 26 May 95

[FBIS Transcribed Text] Pyongyang, May 26 (KCNA) — Five organizations of Peru including the Peru-Korea Institute of Culture and Friendship and the Peruvian Committee for Supporting the Independent and Peaceful Reunification of Korea, and the all-India Indo-Korean Friendship Association and the Indian Committee for

Supporting Korea's Reunification published joint statements and the Malian Committee for Supporting the Independent and Peaceful Reunification of Korea and the Indian Association of Lawyers issued statements on the occasion of the 15th anniversary of the Kwangju popular uprising in South Korea (May 18-27, 1980). The Peruvian organizations reaffirmed full support for and solidarity with the struggle of the South Korean people against Kim Yong-sam's "civilian regime" and for independence, democracy and reunification.

They strongly denounced the U.S. military occupation of South Korea and demanded that the U.S. should withdraw its Armed Forces and nuclear weapons from South Korea and respond to the proposal for the establishment of a new peace mechanism on the Korean peninsula.

The Indian organizations said that the Kwangju popular uprising was an important historic event and the highest form of struggle of the South Korean people to terminate the colonial rule of imperialism, defend democratic rights and oppose the imperialism and fascism.

They expressed the belief that Korea will be reunified in the 90s under the wise leadership of His Excellency Kim Chong-il, supreme commander of the Korean People's Army.

The Indian Association of Lawyers said that the desire of the Kwangju resistance fighters cannot be realised as long as the U.S. imperialists' domination and interference in South Korea continue and the traitor Kim Yong-sam remains in power. The association called on governments, political parties and organizations of different countries and peoples who love peace and justice to wage an international campaign to isolate the South Korean authorities.

The Malian Committee for Supporting the Independent and Peaceful Reunification of Korea strongly demanded that the fascist laws including "National Security Law" in South Korea must be abolished at once.

Bangladeshi Organizations

SK3105001595 Pyongyang KCNA in English
1511 GMT 30 May 95

["Resignation of Kim Yong-sam 'Regime' Urged" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 30 (KCNA) — The Workers' Party of Bangladesh, the Bangladesh-Korea Friendship Association and five other political parties and organizations of Bangladesh and the solidarity committee of Arab Regional Political Parties and Fronts To Support Hanminjon (National Democratic Front of South Korea) and Struggle of the South Korean People, in statements released on the occasion of the 15th anniversary of the heroic Kwangju popular uprising, urged the Kim Yong-sam "regime" to resign.

Bangladeshi political parties and organizations in a joint statement May 18 demanded that the present Kim Yong-sam's "civilian government" make public before the world the truth behind the brutal massacre by the dictators Chon Tu-hwan and No Tae-u of a large number of people and students who attended the Kwangju uprising and urged the traitor Kim Yong-sam to step down from his office in power.

The joint statement said the United States must admit the responsibility for allowing the murderous atrocities of the puppet dictators.

"We decided to set a week of solidarity during which we will demand the repeal of the 'national security law [NSL]' in South Korea, release of all political prisoners and a halt to the crackdown upon the patriotic people struggling for democracy and Korea's reunification," said the joint statement.

The solidarity committee of Arab Regional Political Parties and Fronts to Support Hanminjon and Struggle of the South Korean People in a statement May 15 strongly called for the resignation of the Kim Yong-sam "regime", an obstacle to Korea's reunification, and the scrapping of the "NSL", unconditional release of all prisoners of conscience and immediate repatriation of the unconverted long-term prisoners whose hometowns are in the northern half of Korea.

Paper Praises ROK Workers 'Mounting Struggle'

SK3105045195 Pyongyang KCNA in English
0437 GMT 31 May 95

["Struggle Is Inevitable" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — NODONG SINMUN today describes the mounting struggle of the South Korean people against the Kim Yong-sam group's fascist suppression of the labour movement as a natural development.

The news analyst says:

The workers of the Hyundai Motor Company plant in Ulsan recently went on an all-out strike after their fellow worker attempted suicide in protest against the company side's unreasonable measure of dismissing him. The workers of the telecommunication company rose in struggle against the company side's plan to punish union leaders in conspiracy with the puppet authorities.

The South Korean workers' struggle for the right to existence and democracy is an entirely reasonable exercise of their inviolable rights. It can never be a target of suppression.

Upset by their struggle spreading to other parts of South Korea with the "local autonomous body elections" at hand, the Kim Yong-sam group are desperately working to suppress it at the point of the bayonet. It is, however, a futile attempt.

There is no way out for the Kim Yong-sam group who are making a last-ditch effort, forsaken by the people. All people in South Korea will inevitably rise up in struggle to overthrow the traitorous Kim Yong-sam group.

ROK Students Protest 'Suppression' of Labor

SK0106102895 Pyongyang KCNA in English 1012 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — About 200 students in Taejon, South Korea, got together at Hannam University on May 30 to inaugurate a special committee against the suppression of the labor movement, a radio report from Seoul said.

After the meeting, the students broke out of the gate, shouting anti-"government" slogans and clashed with tear-gas firing riot police.

They continued their protests, throwing flame bottles at the police.

Foreign Groups Urge Release of ROK Prisoners

SK0106105295 Pyongyang KCNA in English 1043 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — The Movement for the Peace and Socialism of Italy, the Nino Pasti International Fund for Peace and Solidarity Among People and the Italian Committee for the Reunification and Peace of Korea sent a joint protest letter to the chief executive of South Korea, on May 25, demanding immediate repatriation of Kim In-so, Ham Se-hwan and Kim Yong-tae, unconverted long-term prisoners in South Korea.

The letter noted that old Kim In-so, Ham Se-hwan and Kim Yong-tae, former soldiers of the Korean People's Army, have not been repatriated to the North for over 40 years for the reason that they refused to be converted.

Saying that it is a vicious anti-humanitarian act that the South Korean authorities who cry for "democracy" are detaining them in the South by force, the letter stressed that the authorities must immediately send them back to the North and abolish the "National Security Law".

Meanwhile, the Italian movement and organizations launched a signature campaign demanding the repatriation of the old men.

The Nino Pasti International Fund for Peace and Solidarity Among People issued an appeal on May 15 for a national movement demanding the repatriation of Kim In-so, Ham Se-hwan and Kim Yong-tae.

Kim Yong-sam Denounced for Blocking 15 Aug Event

SK0106055195 Pyongyang KCNA in English 0426 GMT 1 Jun 95

["Kim Yong-sam Group's Ban on Reunification Festival Criticised" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — Chu Song-il, chairman of the Central Committee of the General Federation of Trade Unions of Korea, Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, and Choe Song-suk, chairperson of the Central Committee of the Union of Agricultural Working People of Korea, separately issued statements on Wednesday, bitterly denouncing the Kim Yong-sam group for trying to block the grand national reunification festival marking the 50th anniversary of national liberation [15 August].

Chu Song-il branded the Kim Yong-sam group's measure of "prohibiting" the reunification function at Panmunjom as an indelible crime against the earnest desire of the nation for reunification. With the Kim Yong-sam clique, an enemy of reunification, left alone, the nation's desire for reunification cannot be realised, he added.

He expressed the belief that the South Korean workers and other people will valiantly rise up in struggle to successfully hold the August 15 grand national reunification festival under the slogan "Down with the Kim Yong-sam regime."

Choe Yong-hae said:

The South Korean authorities are trying to block at the point of the bayonet the debate on reunification among Koreans in the North, South and overseas who lived separated for 50 years. This is a proof that they have no national conscience and will for reunification.

The Kim Yong-sam group must clearly see the indomitable will and unshakable faith of the youth and students in the North and South, immediately cancel the unreasonable "measures" to ban the grand reunification festival at Panmunjom and abolish the "National Security Law."

Choe Song-suk demanded that the traitor Kim Yong-sam immediately lift the checkbar of fascist repression on the road to the grand national reunification festival and step down from power at once before he encounters greater protest and criticism by the entire nation and the people around the world.

Leaders Laud ROK People's Sovereignty Struggle

SK2705102395 Pyongyang KCNA in English 1009 GMT 27 May 95

[All names as received]

[FBIS Transcribed Text] Pyongyang, May 27 (KCNA) — Party leaders of different countries expressed support for the Korean people's struggle to defend the sovereignty of the country when they met Korean ambassadors to their countries and a delegation of the Workers' Party of Korea [WPK].

Gustavo Mohme Ryona, national secretary general of the Socialist Political Action Party of Peru, said that Korea has registered continued achievements in socialist construction and foreign relations because the great leader Comrade Kim Chong-il is wisely leading the WPK and the cause of chuche.

He reaffirmed continued support to the Korea's cause of socialism and national reunification.

Yussef Abu Bakr, chairman of the Arab Islamic Democratic Movement of Jordan, noted that Korea set an example in defending its sovereignty against the imperialists through its own principled and resolute stand.

Saying that he knows well the wisdom and principled stand of his excellency leader Kim Chong-il, he expressed the belief that the Korean people would smash the war provocation moves of the imperialists and defend national dignity and sovereignty under his leadership.

Pedro Joaquin, general secretary of the National Executive Committee of the Institutional Revolutionary Party of Mexico, emphasized that his party sends firm support and solidarity to the independent foreign policy of the Workers' Party of Korea, the cause of national reunification and the Korean people's struggle to step up socialist construction.

South Korea Denounced for 'Exports of Orphans'

SK0106070995 Pyongyang Korean Central Broadcasting Network in Korean 1220 GMT 31 May 95

[Commentary by Yun Pyong-son: "Antinational Act by Modern Slave Traders"]

[FBIS Translated Text] According to data, the South Korean puppets have sold approximately 180,000 South Korean children to the United States and various other countries at $5,000 a child for 40 years since 1955 under the pretext of the overseas adoption of war orphans. This inhumane brutal act by the South Korean puppets of openly selling out children in the 20th century, not in the Middle Age, arouses people's indignation.

Those children sold overseas are our fellow countrymen of the same blood, human beings, and people of coming generations who should carry on the nation's blood lines. Then, how can a human sell children to foreign countries? The South Korean rulers are modern slave traders who have long given up being human beings.

In the northern half of the Republic, which considers man to be the most valuable, a beautiful communist trait has come into full flower in which warm-hearted people take the roles of the fathers and mothers of parentless children and take good care of them to ensure that they lead happy lives and become excellent revolutionary reserves.

It was known in early May all over the country that Comrade Kim Chong-su and his wife, Comrade Choe Hae-wol, had been raising parentless children excellently. This has made people's hearts warm. Such beautiful deeds are seen everywhere under popular masses-centered our-own-style socialism in which our party's benevolent politics are implemented.

However, in South Korea, the puppet clique's antipopular rule gives rise to numerous orphans every year. Moreover, because of the worsening standards of living and social disorder, the number of abandoned orphans has radically increased since the Kim Yong-sam ring took power under the veil of a civilian regime. This is the result of its antipopular policy. Nevertheless, the Kim Yong-sam ring has continuously committed the antinational, inhumane crime of selling children to foreign countries on the grounds that it is difficult to take care of them.

Embarrassed at the fact that exports of orphans caused a serious social problem and that people more strongly denounced the exports, the puppets raved they would completely stop exporting children to foreign countries by 1996 and take measures to ensure they be raised in South Korean homes. Nevertheless, they sold 2,200 children overseas last year.

A South Korean broadcasting station has revealed that the government's policy on totally banning overseas adoption was canceled completely last year.

What have become of the children sold overseas? They, even though they are mere children who still do not know the meaningof foster sons or daughters, are suffering from mistreatment and discrimination in foreign countries as mere babysitters. When they grow up, a miserable fate as slaves in brothels or sweatshops is enforced on them. And, numerous children have already been mercilessly beaten or trampled to death or driven away by ferocious foster parents. Nevertheless, the South Korean puppets are still selling orphans like commodities to stuff out their bellies.

Even though the Kim Yong-sam ring raves that priority shall be given to its fellow countrymen over outside forces, the rascals do not have the slightest love for their fellow countrymen or humanity.

The traitorous Kim Yong-sam clique gives rise to numerous orphans by enforcing a treacherous rule and earns money by selling them. This crime can never be forgiven for generations to come. The Kim Yong-sam ring, which has turned South Korea into a wasteland where outside forces and nation-sellers are rampant and where humanity or love has all dried up and which fills out its belly by selling its fellow countrymen, will certainly face the people's stern judgment.

Kim Yong-sam Criticized as 'Pro-American Stooge'

SK0106051695 Pyongyang KCNA in English 0435 GMT 1 Jun 95

["Kim Yong-sam Group Denounced for Patronizing U.S. Troops' Crimes" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — The secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] released its information No. 686 on May 31 denouncing the traitor Kim Yong-sam for patronizing the worsening criminal acts of the U.S. imperialist aggression forces in South Korea.

The information says:

The U.S. imperialist aggression forces have committed criminal acts one after another in South Korea, particularly group assaults, sexual outrages and robbery over May 19-28.

The U.S. troops present in South Korea committed more than 2,000 crimes each year.

The ever increasing crimes of American soldiers in South Korea are an inevitable result of the abominable flunkeyist treacherous act of the traitor Kim Yong-sam serving the United States as he does his grandfather.

The traitor Kim Yong-sam is a flunkeyist traitor who makes no scruple of opening the South Korean rice market for the sake of the American masters to cut the lifeline of 6 million peasants and an dyed in the wool pro-American stooge who fattens the U.S. munition monopoly plutes [plutocrats] by buying congested weapons from them with blood-tax from the people and reinforces police to stand guard over the U.S. ruling offices in South Korea.

The U.S. troops' criminals, under the patronage of the Kim Yong-sam group, have the impudence to say that they are not assaulter but "victims".

If the flunkeyist traitor Kim Yong-sam is left intact, the arbitrariness and crimes of the U.S. troops cannot be checked in South Korea, nor can the independent demand and the national right of the South Korean people be realized. The Information calls upon the South Korean people to fight more valiantly under the banner of anti-U.S. independence and anti-Kim Yong-sam struggle.

ROK Protests Against 'Crimes' of U.S. Soldiers

SK0106102795 Pyongyang KCNA in English 1013 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — Students under the South Korean Federation of General Student Councils held a surprise demonstration on May 30 in front of the Yongsan U.S. military base, a Seoul-based radio report said.

They chanted slogans criticising the crimes of the American soldiers and showered paint on the front-gate of the base.

They left a gazette demanding an open apology for the atrocities of the U.S. Forces and the rectification of the South Korea-U.S. "Status of Forces Agreement".

Demonstrations, 'Struggle' of South Koreans Noted

SK3105045995 Pyongyang KCNA in English 0430 GMT 31 May 95

["Struggle of South Korean People" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — More than 30 students on May 29 surprised the "American Cultural Centre" in Taegu and held a demonstration in demand of the rectification of the submissive South Korea-U.S. "Administrative Agreement," according to reports from Seoul.

The students who thronged to the "American Cultural Centre", raged by the ever growing assaults of the U.S. troops, scattered literatures calling for rectification of the "administrative agreement" so as to punish the criminals and fought stubbornly pelting fire bottles and stones at the building of the centre.

On the same day, some 200 university professors from across South Korea called a news conference in Seoul at which they urged strongly the puppet government to stop at once the crackdown upon the labour movement.

On the 28th, around 1,500 public workers in Taejon and South Chungchong Province held a rally and demonstration in Taejon, demanding a wage hike and representatives of seven opposition and Buddhist organizations including the Buddhist human rights committee denounced in Seoul the puppet clique's suppression of the strike of labour unionists of the Telecommunication Co.

Article Criticizes U.S. for Arms Exports

SK0106052495 Pyongyang KCNA in English 0459 GMT 1 Jun 95

["NODONG SINMUN Flails Imperialists' Arms Export" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — The United States and other imperialists' arms export comes under fire in NODONG SINMUN today.

The paper in a signed article entitled "What Is the Purpose of Arms Export?" says:

The United States ranks first among the arms export nations of the world. Today the U.S. export accounts for more than 50 percent of the world's total arms export.

The United States plans to take hold of 60 percent of the world's arms market in the years to come.

The United States and other western powers are vying with one another for a greater share in arms market.

The imperialists are getting overheated in arms export with a purpose to realise military control over other countries and gratify their dominationist ambition. They are trying to accelerate the process of political and economic subjugation of developing countries through the arms export to them.

Today the imperialists are making a fortune through arms export. They consider arms export a source of money-making in an effort to extricate themselves from the economic crisis.

All this shows that the aggressive and predatory nature of the imperialists still remains unchanged and that the danger of war is hovering over the world owing to them.

Arms race cannot be stopped, nor can peace and stability be preserved without checking and frustrating arms export of the imperialists.

U.S. Motivation for Korean War Memorial Viewed

SK0106050695 Pyongyang KCNA in English 0438 GMT 1 Jun 95

["Clumsy Scheme To Incite War Fever" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — A "memorial to the Korean war" was built in the United States some time ago and it will reportedly be unveiled with a due "ceremony" on July 27.

The Korean war (June 25, 1950 - July 27, 1953) was started by the United States and the traitorous Syngman Rhee puppet clique to invade the northern half of Korea. It inflicted immeasurable sufferings and a heavy toll of human lives on the Korean people.

This being the fact, however, the United States shamelessly built a "memorial to the Korean war" in a foolish attempt to justify its provocation of the war of aggression and its murder of people.

The erection of the "memorial" came at a time when the United States was getting overheated in a military campaign to stifle the DPRK in conspiracy with the South Korean puppet clique and the Japanese reactionaries behind the facade of "dialogue" and "detente." This was aimed at laying an ideological and mental foundation to justify its moves to provoke another war and incite a war fever.

The United States must stop running counter to the trend of the times.

'Over 210 Cases' of U.S. Aerial Espionage in May

SK0106054595 Pyongyang KCNA in English 0420 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — The bellicose U.S. imperialists frantically committed aerial espionage on the DPRK with many strategic reconnaissance, early warning and patrol planes of various types such as RC-135, U-2, E-3 and P-3 in May, military sources said.

In May alone, the aerial espionage totalled over 210 cases.

This shows their war preparations to invade the DPRK have reached a very dangerous stage.

U.S. Publication Cited on Simulated Exercise

SK0106010495 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 29 May 95

[FBIS Translated Text] According to reports, the 24 May issue of the U.S. newspaper THE STARS AND

STRIPES exposed that the United States recently conducted a large-scale computer-simulated exercise for a simulated Korean war. Approximately 1,300 military personnel stationed at Fort Leavenworth, Kansas, United States, were reportedly mobilized to the exercise dubbed the exercise for a future war in the 21st century. The newspaper revealed that many military bases in Grafenwohr, Germany, and Fort Benning, Georgia in the United States are connected with Fort Leavenworth.

The newspaper reported that the United States deployed Phoenix, a new computer system designed to secure a tactical superiority, to the exercise, and revealed that the United States is attempting to use the computer system in actual combat in the year 2010. The newspaper pointed out that a commander of the U.S. Army stationed in Europe promoted war fever by raving that the simulation war is in preparation for the next 20 to 30 years and beyond.

Such a move shows that the United States is tenaciously clinging to the extremely reckless maneuver to provoke a new war of aggression on the Korean peninsula.

Commentary Decries U.S. 'Anti-Cuban Maneuvers'

SK2805081195 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 26 May 95

[Unattributed commentary: "Anti-Cuban Maneuvers Cannot Avoid Failure"]

[FBIS Translated Text] The maneuvers against Cuba by the United States are becoming more vicious.

Now a new anti-Cuban bill called the Helms-Burton Bill is under deliberation in the U.S. Congress.

This bill, which U.S. Senators Helms and Burton [Senator Burton as heard] have worked out and submitted to Congress, requires that sanctions be imposed against any country, private corporation, or individual involved in transactions with Cuba; and that restrictions be placed on funds from the United States to any (?financial agency) that provides any kind of aid to Cuba or that accepts Cuba as a member country. The bill forcibly requires that the properties of the Batista dictatorial regime exploiting class, which were declared state properties after the Cuban revolution won victory, be returned to the original owners.

This bill — aimed at imposing an international blockade against Cuba — fully shows the nature of the United States, which is knavishly mounting pressure and imposing sanctions on and tyrannizing countries that incur its displeasure.

A campaign opposing the anti-Cuban bill is now under way in Cuba. A public meeting sponsored by various social organizations publicized the goals of the bill. Previously, participants at a public trial held in Havana condemning the Helms-Burton bill denounced the fact that the new anti-Cuban bill by the United States damages the dignity of another country and violates international law. Cuban media and publications, including GRANMA, have carried articles exposing the criminal nature of the bill.

This opposition shows the firm will and determination of the Cuban people to smash the U.S. anti-Cuban maneuvers, which are further intensifying with each passing day, and to firmly defend their gains of socialism.

The U.S. anti-Cuban maneuvers did not start afresh yesterday or today. Since the day of victory of the Cuban revolution, the United States has persistently adhered to applying political and economic pressure and a blockade against Cuba, to mounting military threats against Cuba, and to engaging in maneuvers to isolate Cuba diplomatically.

The U.S. aim is to stifle and crush revolutionary, socialist Cuba. This notwithstanding, this is an exceedingly absurd and wild fancy.

No U.S. maneuver can frighten the Cuban people, nor can it dampen the Cuban people's revolutionary will.

In firm unity around the Communist Party headed by Comrade Fidel Castro, the Cuban people are marching forward under the banner of socialism, while standing up to the imperialists' vicious and knavish challenge in an indefatigable manner.

The anti-Cuban bill, which the United States is going to adopt this time, too, will become a scrap of paper.

The Cuban people are laughing with scorn at the racket of the United States, which is trying to adopt a new anti-Cuban bill, while calling this an act by half-witted people who are spitting at the sky while lying on their backs.

Comrade Fidel Castro has said that the Cuban people are not afraid of the United States' anti-Cuban bill. The Cuban people value national dignity and are fully determined to invariably march forward under the banner of socialism, while smashing all kinds of maneuvers by the imperialists.

The Cuban people are never alone. Many world countries, international organizations, and renowned figures are strongly denouncing the farce in the United States of trying to adopt the Helms-Burton bill against Cuba, and they are extending their solidarity with the Cuban people.

As in the previous period, in the future, too, our people will extend their firm support and backing to the just cause of the brotherly Cuban people.

The Cuban people will smash the repeated maneuvers against Cuba by the United States and will firmly defend their revolutionary gains.

Swedish Magazine Supports North on ROK Issues

SK3105151395 Pyongyang KCNA in English 1510 GMT 31 May 95

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — The magazine "Korea Information" No. 1 was published by the Sweden-Korea Friendship Association.

The magazine carries an editorial titled "1995 Is the Year of Reunification", and "Dissolution of 'UN Forces Command'", "South Korea Is Not a Party Concerned in Concluding Peace Agreement" and other articles and an account of the annual meeting of the association held in April.

In the editorial the magazine says: This is the year when the Korean people should achieve the reunification of the country and the nation. They have been suffering from division over last 50 years since their liberation from the Japanese imperialist colonial rule.

Practical steps should be taken at once to withdraw the foreign troops from South Korea and replace the Korean Armistice Agreement with a peace agreement, the magazine notes in the article "Dissolution of 'UN Forces Command'".

Saying that the August 15 grand festival for the reunification to be held on the occasion of the 50th anniversary of the liberation of Korea is a significant initiative of the Democratic People's Republic of Korea to find a way of national reunification at a gathering of Koreans in the North, South and overseas, the magazine stresses that the association will make a big contribution to rousing the international public opinion supporting the festival.

Vice Premier Kim Yong-nam Visits Iran

SK3105140395 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 31 May 95

[FBIS Translated Text] On 30 May, Iranian President Akbar Hashemi-Rafsanjani received Kim Yong-nam, vice premier and foreign minister, and his entourage.

During the meeting, the foreign minister conveyed greetings from the great leader [yongdoja] Comrade Kim Chong-il to President Akbar Hashemi-Rafsanjani. The president expressed deep gratitude for this and asked the foreign minister to convey his heartfelt greetings to the great leader Comrade Kim Chong-il.

The president said it is good that cooperation between Iran and the DPRK in such various fields as politics and economics is being discussed, and that Iran will work to triumphantly achieve this cooperation.

Also participating in the meeting were the Iranian foreign minister, the adviser to the president for political and international affairs, Iran's ambassador to our country, functionaries concerned, and our country's ambassador to Iran.

Russian Trade Union Group Meets Yi In-mo

SK3005102295 Pyongyang KCNA in English 1015 GMT 30 May 95

[FBIS Transcribed Text] Pyongyang, May 30 (KCNA) — A Maritime Territorial trade union delegation of Russia led by A.S. Shalamanov, vice-chairman of the union, met Yi In-mo, an incarnation of faith and will, on Monday.

"The heroism and self-sacrificing spirit of Yi In-mo and the indomitable faith and will he had shown to win victory in his cause represent the strong will of the Korean people," the head of the delegation said, when meeting with Yi In-mo.

"The invariable faith of Yi In-mo in the leader and the fatherland is stronger than iron," he said, adding: "We visualize the bright future in the great chuche idea and the Korean-style socialism."

Russian Party Officials Attend Embassy Meeting

SK3105061595 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 27 May 95

[FBIS Translated Text] A gathering with functionaries from the Moscow City Committee of the Communist Party of the Russian Federation was held on 22 May at our embassy in this country. Respectfully placed in the forefront of the gathering site were a portrait of the great leader Comrade Kim Il-song and a portrait of the great leader [yongdoja] Comrade Kim Chong-il.

The first secretary of the Moscow City Committee of the Communist Party of the Russian Federation, functionaries from the city party, secretaries of the district party committees, and our country's ambassador and embassy officials attended the gathering.

At the gathering, the first secretary of the Moscow City Committee of the Communist Party of the Russian Federation, functionaries of the city party committee, and secretaries of the district party committees said that the frustration of socialism in Russia is momentary and that the ranks of supporting the socialist ideology are further increasing among Moscow citizens.

They stressed that the Russian communists are greatly encouraged by the fact that the DPRK is winning victories in socialist, communist construction by repelling all sorts of slander and denunciation from the reactionary forces.

They respectfully wished the great leader Comrade Kim Chong-il, who is the banner of socialism, long life and good health.

They said that the cause of reviving socialism, the cause of reviving the Soviet, will be achieved without fail because of its truthfulness and justness.

They said they want the Korean people to achieve greater success in the struggle to strengthen their socialist system upholding the great leader Comrade Kim Il-song's behest.

The participants saw our country's film, "Great Change."

Foreign Officials Marks Anniversary of Chongnyon

SK0106105095 Pyongyang KCNA in English
1039 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — King of Cambodia Norodom Sihanouk sent a message of greetings to Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), on the occasion of the 40th formation anniversary of Chongnyon.

"Chongnyon organized by his excellency, the most esteemed, revered and respected President Kim Il-song who was the father of the Korean people, the hero and the great leader possessed of incomparable patriotic idea, is an organization recognized by the world," the message said.

"His cause is now being carried forward by the respected supreme leader, His Excellency Kim Chong-il, who is the most dignified successor to him," the message noted, and hoped for a greater success in the work of Chongnyon.

And, on the same occasion, messages of greetings went to Chairman Han Tok-su from Tomiichi Murayama, prime minister of Japan and chairman of the Central Executive Committee of the Japan Social-Democratic Party, and prominent figures of Japan, and telegrams to the Central Standing Committee of Chongnyon from parties, public organizations and prominent figures of many countries including India, Bulgaria, the United States, Pakistan, Denmark, Peru, Romania, Mongolia, Syria, Ukraine, Nepal, Cuba, Mali and France.

Indian Supports North Position in Reactor Talks

SK0106061895 Pyongyang Korean Central Broadcasting Network in Korean
0800 GMT 30 May 95

[FBIS Translated Text] (Shil Badnayaji), chairman of the All-India Liberty Fighters' Association, issued a press statement on 25 May supporting our principled position on the light-water reactors issue. He said:

We fully support the principled position adhered to by the socialist DPRK regarding the light-water reactors issue. Today, the implementation of the DPRK-U.S. agreed framework has run onto a reef due to the anachronistic strong-arm policy of the United States, which intends to crush the socialist DPRK.

Facts show that it is not North Korea but the United States who is not sincerely implementing the agreement. The socialist DPRK has the right to select the type of the light-water reactors that suit its situation. Forcing the DPRK to accept the nonexistent South Korea-style light-water reactors, which Pyongyang already rejected, is an open pressure and blackmail to an independent sovereign country. The international community is watching how the DPRK-U.S. agreed framework is implemented.

The United States should abandon the anachronistic policy against the DPRK and adopt a peace policy in accordance with the current trend. The United States should abandon the old way of thinking and establish measures to supply the most reasonable light-water reactors to Pyongyang. The United States should review the entire process of the implementation of the agreement and take decisive measures to sincerely implement the agreement, accept Pyongyang's proposal to establish a new peace-guaranteeing system on the Korean peninsula, and make actual contribution to the peace and security of Korea and the world. The South Korean authorities should stop putting a brake on the implementation of the DPRK-U.S. agreed framework by insisting on the nonexistent South Korean-style light-water reactors.

In the future, too, we will support the just struggle of the heroic DPRK people to achieve the independent and peaceful reunification of the country.

Syrian Envoy Pays Visit to Yang Hyong-sop

SK0106054995 Pyongyang KCNA in English
0418 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — Yang Hyong-sop, chairman of the Supreme People's

Assembly of the DPRK, met and had a talk with Yasir Farah, ambassador of the Syrian Arab Republic to Korea, who paid a farewell call on him at the Mansudae Assembly Hall on Wednesday.

Ethiopian Embassy Hosts Party on Anniversary

SK0106055895 Pyongyang KCNA in English
0430 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — A party was given on Wednesday by Ashenafi Abebe, charge d'affaires ad interim of the Ethiopian Embassy in Pyongyang, on the occasion of the 4th anniversary of the day of peace and democracy in Ethiopia.

Invited to the party were Chairman of the State Education Commission Choe Ki-yong, Vice-Minister of Foreign Affairs Kim Yong-il, Vice-Chairman of the State External Economic Affairs Commission Kim Chong-u, Vice-Minister of Culture and Art Kim Chong-ho, Lieut. Gen. Pak Sung-won of the Korean People's Army, officials concerned and foreign diplomatic envoys accredited to Korea.

Prior to the party, they paid a silent tribute to the memory of the great leader President Kim Il-song.

Speeches were made at the party.

Hydroelectric Power Plants Fulfill May Plans

SK0106085595 Pyongyang Korean Central Broadcasting Network in Korean
2100 GMT 31 May 95

[FBIS Translated Text] Hydroelectric power plants in South Hamgyong Province—including the Pujongang, Hochongang, and Changjingang power plants, which have vigorously carried out the struggle to increase electric power production, upholding the party Central Committee's slogans—have brilliantly fulfilled May plans.

During the period of the plan, the working class at the power plants tenaciously managed facilities and technologies, being deeply aware of the significance of electric power production in implementing the party's revolutionary economic strategies.

Power producers at the Pujongang power plant properly repaired and managed generating facilities, enhanced the role of facility operators, and operated generators at full capacity, so that they could overfulfill the May power production plan by 103.4 percent as of 29 May.

Power producers at the Hochongang power plant helped and led one another to successfully guarantee the efficient operation of facilities at full capacity, thus brilliantly fulfilling the monthly plan as of 30 May. Being aware that the creation of an upsurge in the socialist economic construction depends greatly on electric power production, power producers at the Changjingang power plant actively carried out a struggle for a smooth supply of water and guaranteed operating generators at full capacity, thus producing a lot of power.

Wiwon Power Plant Overfulfills Generation Goal

SK0106084195 Pyongyang Korean Central Broadcasting Network in Korean
2200 GMT 31 May 95

[FBIS Translated Text] As of 29 May, the working class of the Wiwon power plant, who has risen to accomplish the party Central Committee's slogans issued on the occasion of the 50th anniversary of the founding of the Workers Party of Korea, overfulfilled the electricity generation goal of May by 105 percent, a goal which had been set far higher than last month.

The party members and workers of the power plant distributed the work load for each piece of equipment in a rational fashion, while making sure that all of the power-generating equipment operated in a highly efficient way and that the water level was maintained at a high level, while taking meticulous measures to check and repair all of the equipment.

In particular, the workers and technicians of the power-generating workshop made sure that the facilities operated at full capacity. They overfulfilled the daily electricity generation plans, while effectively checking all of the power-generating equipment and strictly observing the standard regulations of operation.

Hydraulic Power Plants Report Generation Records

SK0106070695 Pyongyang Korean Central Broadcasting Network in Korean
1200 GMT 31 May 95

[FBIS Translated Text] Electricity producers of hydraulic power plants across the country are generating and sending more electricity to the socialist farms. They have risen in upholding the party Central Committee's slogan which defined the agricultural front as the most important front in implementing the party's revolutionary economic strategy. In the past 20 days, they overfulfilled the power generation plan by 10 percent compared to the same period last month and actively contributed to smoothly guaranteeing electricity required by the rural economy.

The working class of Hochongang Power Plant deeply recognized the importance of their mission in glorifying the significant 1995 with bumper crops. They thoroughly manage and repair the hydraulic structures, reasonably distribute the capacity of the power generators, and strengthen between-shift checks and circulation checks. Recently they improved their implementation of daily production targets by 1.2 times.

The electricity producers of Changjagang Power Plant are increasing power generation by operating generation equipment in accordance with the technical regulations and the standard operation manual and by focusing on securing and managing water. Workers and technicians of Pujongang and Changjingang power plants found production reserves in technical innovations and scientific management of generating equipment. They are properly planning the work and sending more electricity to the socialist farms.

With an aim to better help the working people of the agricultural sector, who are determined to uphold our party with rice, the working class of Kaechon Hydraulic Power Generation Complex properly maintain intermediate water intakes, dams, and waterways and responsibly keep a high water level and high efficiency to improve the unit generator productivity.

The electricity producers of 17 March Hydraulic Power Generation Complex and Kanggye Youth Power Plant are also giving fuel to the flame of the struggle to increase power generation and send one more kilowatt-hour to socialist farms.

Foreign Crewmen Said To Praise Kim Chong-il

SK0106104195 Pyongyang KCNA in English
1025 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — Crewmen of foreign ships held a meeting in Nampo port in the west coast of Korea on Tuesday to laud the wise leadership of the great Comrade Kim Chong-il.

Prior to the meeting they laid a floral basket before the statue of the great leader President Kim Il-song in Nampo and made a bow.

Fok Lin Choi, representative of the Gulf Agency Company, Hong Kong, said in his speech that he was deeply impressed by the Korean people who changed their sorrow at the loss of his excellency the great leader President Kim Il-song into courage and strength and have had his excellency dear Kim Chong-il as their leader, closely rallied around him, and vigorously accelerated the socialist construction without vacillation, true to the intention of lifetime of His Excellency President Kim Il-song.

Qian Wangchu, deputy master of political affairs of the Chinese ship "Ma Guan Hai", said that His Excellency Kim Chong-il is the great leader who is carrying forward the cause of His Excellency President Kim Il-song and that he published the famous work "Socialism Is a Science" and is inheriting and developing the socialist cause.

Marman C. Tamonan, master of the Honduran ship "Concod", stated: We say that His Excellency Kim Chong-il is, indeed, the great leader of the 21st century who struggles for happiness and prosperity of humankind and global peace.

Zheng Liechun, master of the Chinese ship "Qin Tai-2," and Lucilo S. Duyo, chief officer of the Panamanian ship "Orient Angel," said that socialism is emerging victorious in Korea and Comrade Kim Chong-il is a great statesman who has consolidated the unity and cohesion of the Workers' Party of Korea [WPK] and the driving force of revolution and developed the WPK into invincible steel-like ranks.

A letter to Comrade Kim Chong-il was adopted at the meeting.

Kim Chong-il Sends Thanks to Units, Workers

SK0106105695 Pyongyang KCNA in English
1028 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — The great leader Comrade Kim Chong-il extended thanks to many units, officials and working people for their exemplary deeds in displaying the traditional traits of Army-people unity. Among them are the external service bureau of the Administration Council, officials and employees of the Sariwon chicken plant in North Hwanghae Province, war veterans in Okho-tong, Yaksu-ri, Sonchon County, North Pyongan Province, Chang Chun-sik, sub-workteam head of the Tonghung cooperative farm, Sinhung County, South Hamgyong Province, and his family.

Comrade Kim Chong-il also sent thanks to officials of the medical library of the Academy of Medical Science who assisted soldiers of the Korean People's Army on several occasions and gave Kim Hyong-chik Military Medical University a bibliography which is helpful toward the educational work and scientific researches in the domain of military medicine, true to the behests of the great leader President Kim Il-song and the intention of the party.

Russian Publisher on Kim Il-song, Kim Chong-il

SK3105102495 Pyongyang KCNA in English
1018 GMT 31 May 95

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — Nikolay Mishin, director of the Paleya Publishing House of Russia, emphasized that there are no such people in the world as the Korean people who are blessed with the great leaders, when he called at the statue of the great leader President Kim Il-song on Mansu Hill.

Saying that Comrade Kim Il-song is a great man known to the world, he continued:

The Korean people are now vigorously advancing with a firm conviction of their cause because they are led by Comrade Kim Chong-il equal to Comrade Kim Il-song in the idea, leadership, personality and virtues.

We Russian people are heartsick over the death of Comrade Kim Il-song and are looking up to his great successor Comrade Kim Chong-il and thirsting for the appearance of such an excellent leader as him in Russia.

The Korean people are blessed with the great leaders, indeed.

Comrade Kim Il-song and Comrade Kim Chong-il are the great leaders.

Comrade Kim Chong-il is a great master of the present time. He is a great man who will wisely lead the 21st century and a creator of global civilization.

World peace and security will be ensured and people will enjoy a happy life if there are such great men as Comrade Kim Chong-il in the world.

Though we are far away from Comrade Kim Chong-il geographically, his idea and works always give a bright light to our hearts and indicate how we should serve people.

Victory and glory will be in store for the Korean people who hold Comrade Kim Chong-il in high esteem as the great leader.

Kim Il-song's Reminiscences Disseminated Abroad

SK0106102595 Pyongyang KCNA in English
1010 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — The great leader President Kim Il-song's reminiscences "With the Century" was studied and disseminated in different countries.

The theory and practice centre of Kimiloungism in Zimbabwe held an explanation session on "The Association for the Restoration of the Fatherland" of Vol. 4 of Part 1 "The Anti-Japanese Revolution" of the reminiscences.

G.N. Munyoro, chairman of the centre, explained in detail the main idea of "The Association For the Restoration of the Fatherland" and elaborated on the wise leadership of President Kim Il-song, who firmly united all the anti-Japanese patriotic forces under the banner of national liberation and liberated the country.

"During the rigorous anti-Japanese revolutionary struggle, he united people from all walks of life into a strong revolutionary force," said the chairman. "This could not be seen ever in human history. This is an immortal exploit of President Kim Il-song, who believed in the people as in heaven."

Seminars on the reminiscences were held at the group for the study of the chuche idea of the great leader Comrade Kim Il-song of Malagasy students in Algeria and the group for the study of the chuche idea of the Dar es Salaam technical college, Tanzania, and in Copenhagen, reading sessions on the reminiscences at the group for the study of the chuche idea of Comrade Kim Il-song in the Education Ministry of Guyana, the group for the study of the chuche idea of the Dar es Salaam teachers' college, Tanzania, and the chuche philosophy study centre in Harare, Zimbabwe, and a lecture on the reminiscences at the Ulaanbaatar city war veterans committee of Mongolia.

Editorial Praises Kim Il-song's Work Method

SK0106104995 Pyongyang KCNA in English
1035 GMT 1 Jun 95

["Let Us Work by Great Leader's Work Method" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — The great leader Comrade Kim Il-song's work method is the key to a great upsurge in the revolution and construction whereby the troubles may turn into a blessing in reliance upon inexhaustible strength of the popular masses, and only when all leading officials work by the great leader's work method can they help give full play to the advantages of Korean-style socialism, says NODONG SINMUN in an editorial today.

The editorial quotes the great leader Comrade Kim Chong-il as saying:

"No matter how much water flows under the bridge, we must hold the great leader Comrade Kim Il-song in high esteem generation after generation and carry out all work by his work method."

The editorial says:

To work by the great leader Comrade Kim Il-song's work method means to work in accordance with the idea, theory and method he regarded as his lifelong maxim and to follow the distinguished examples set by him in guiding the underground revolutionary activities, armed struggle and party, state and military affairs for a long time.

If officials are to work by the great leader's work method, they should be possessed of infinite loyalty to Comrade Kim Il-song who will be held in high esteem for all ages, that is, the revolutionary outlook on the leader steeped to the marrow of their bones, find themselves among the people, share life and death, sweets and bitters with them and settle all matters in reliance upon their wisdom and strength.

The editorial lays a particular stress on the need to actively follow the outstanding leadership traits of respected Comrade Kim Chong-il in order to work by the great leader's work method, and continues:

Comrade Kim Chong-il is the outstanding leader who directs the revolution and construction just as Comrade Kim Il-song did, and carries forward and develops his idea and cause with credit.

To follow the leadership traits of Comrade Kim Chong-il, who is leading the cause of party building, socialist construction and Army building to a certain victory is immediately to work by the great leader's work method.

The noble sense of obligation to Comrade Kim Il-song, warm love for the people, steel-like revolutionary faith and principle are a natural gift of Comrade Kim Chong-il; his leadership art is mainly characterized by vigorous energy, rare sweep and distinguished leadership ability.

The revolution and construction should be carried on in accordance with the idea, strategy and temperament of Comrade Kim Chong-il. This is a basic matter for officials to work by the great leader's work method.

UN, Iranian Delegations Visit Kim's Statue

SK0106055395 Pyongyang KCNA in English 0427 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — A delegation of the UN Children's Fund led by Anthony J. Hewett, the president of the National Institute for Research Advancement of Japan and his party, and a delegation of the Ministry of Petroleum of Iran called at the statue of the great leader President Kim Il-song standing on Mansu Hill to pay homage to him.

They laid bouquets before the statue of President Kim Il-song, who founded the great chuche idea and devoted all his life to the cause of global independence, and made bows with deep reverence for him.

Loyalty Between Children, Kim Chong-il Reported

SK0106104095 Pyongyang KCNA in English 1020 GMT 1 Jun 95

[FBIS Transcribed Text] Pyongyang, June 1 (KCNA) — Love and loyalty overflowing with feelings of kinship are running between the leader and children in Korea where children are called "king" of the nation. It is well illustrated in the letters sent by children to the great leader Comrade Kim Chong-il and the reply letters he personally sent to them after reading them one by one.

"I hope you will study hard to be a respectable daughter of Korea.

I saw the letter with pleasure.

Kim Chong-il

August 13, 1994."

This is the reply letter Comrade Kim Chong-il sent to Yang Kyong-hui, a schoolgirl at the Munhwa Primary School, Pyongsong city, South Pyongan Province.

Upon hearing the sad news that the great leader Generalissimo Kim Il-song passed away in July last year, she was overwhelmed with grief, visiting his statue every day and saw the haggard face of the fatherly General Kim Chong-il on the television screen.

Yang Kyong-hui, overcome with sorrow, sent to General Kim Chong-il a letter carrying her determination to become a doctor of medicine, a bodyguard responsible for the safety and longevity of the fatherly general.

Comrade Kim Chong-il personally saw her letter and sent a reply letter.

Yang Kyong-hui is not the only one who sent a letter to Comrade Kim Chong-il and was much honoured and blessed.

Among them are Min Su-yong (4) at the Kuchon kindergarten in Sariwon city, North Hwanghae Province, Chon Kwang-song who is studying at the Nampo senior middle school No.1 at the age of six, Hong Kwang-nim (6), a good hand at pen-writing, at the Songbuk kindergarten, Pyongyang, and Kim Kwang-sun (6) at the Tonghung primary school, Kaesong municipality.

They said in unison that the health of the fatherly general is the greatest happiness for them the flower-buds, and heartily wished that he would take a rest and relieve his fatigue in time for his good health and long life.

Comrade Kim Chong-il sent reply letters to them and expressed his great love and belief that all children would give full play to their talents to their heart's content and grow up to be future masters of the country, and performers of the revolutionary cause of chuche.

Leaders Mark International Children's Day

SK3105152095 Pyongyang KCNA in English 1517 GMT 31 May 95

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — A national meeting was held at the theatre of the Mangyongdae School Children's Palace today to mark the 45th International Children's Day (June 1).

It was attended by Choe Tae-pok, alternate Politburo member and secretary of the Central Committee of the Workers' Party of Korea [WPK]; Kim Chung-nin, secretary of the WPK Central Committee; Kim Pok-sin, vice-premier of the Administration Council; anti-Japanese revolutionary fighters; officials concerned and working women in the city.

The participants paid a silent tribute to the memory of the great leader President Kim Il-song.

Kang Kwan-son, secretary general of the Central Committee of the Korean Democratic Women's Union, made a report at the meeting.

The reporter recalled that revolutionary and progressive people of the world including women have devotedly fought against the imperialists' reactionary policy and moves of war and for peace and worthy life and happiness of children over the 45 years since the international children's day was instituted.

"Children can enjoy genuine happiness only in socialist society where there is no exploitation of man by man and all people fully lead an independent and creative life, free from domination and subjugation," she said. "The noble ideal of the International Children's Day and the desire of people for good upbringing of children have come true in Korea under the wise guidance and deep care of the respected leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il."

Comrade Kim Il-song gave best things to children before anyone else, regarding them as "kings" of the country, the reporter said, adding that thanks to his deep loving care, all children grow in happiness at state and social expenses at well-furnished nurseries and kindergartens built in all parts of the country.

All women including mothers must worship Comrade Kim Il-song as the sun of chuche forever, with a firm belief that "the great leader Comrade Kim Il-song will always be with us" and exalt Korean-style socialism centred on the masses, united around respected General Kim Chong-il with a single heart, the reporter stressed.

She called on the mothers and all other women to fully support the South Korean women in the struggle for independence and democracy and make active efforts to strengthen solidarity with foreign mothers and other women under the ideals of independence, peace and friendship.

At the end of the meeting, kindergarteners in the city gave an art performance.

KCNA Reports on Talented Children in Nation

SK3105151495 Pyongyang KCNA in English 1506 GMT 31 May 95

[FBIS Transcribed Text] Pyongyang, May 31 (KCNA) — A national exhibition of literary and art works of school children took place in Korea some time ago.

Among the exhibits, the paintings "Hyosong Flower (primula polyantha) around Kimchongilia" and "Sunflowers Following the Sun" were quite a hit. They were painted by Son Yong-chin, 7, a first-year pupil of the Pyongyang Sohung Primary School.

The paintings fully reflect the firm determination of school children to remain loyal and devoted to the great leader General Kim Chong-il.

There are many talented children produced in Korea.

One of them is Kim Song-chun, 7, a first-year student of Kaesong Conservatory.

For his unusual sense of music, he began receiving music training when he was four years old.

When he was six, he won a special prize at the municipal contest of kindergarteners, which involved sight reading, sound detection, composition and piano recital.

Last February, he presented "My Mind," a collection of 53 songs composed by himself, to General Kim Chong-il on the greatest holiday of the nation.

The general listened to songs composed by the boy and took measures to publish a "Collection of Kim Song-chun's Music Pieces" and train him to be a composer.

Kim Kwang-sun, 7, a fourth-year pupil of the Tonghung Primary School in Kaesong, is a little "doctor."

She joined the third grade of the primary school at the age of six. She has ever since been an honour pupil.

She wrote a letter to General Kim Chong-il, pledging that she would become a doctor of medicine in her twenties.

He read the letter and sent her an autograph reply, which says "Be a fine daughter of the motherland."

Hyon Kwang-hyok, 7, is growing to be a musician with a wonderful performance skill at the Hamhung Conservatory in South Hamgyong Province.

There are many talented children widely known to the world.

Kim Chol-chin was praised as a "little dancing champion" during a performance tour abroad when he was eight years old. O Un-pyol earned worldwide fame as a little painter at an international fine art show when she was five. Choe Un-a became a world-famous go chess player when she was seven.

Article Views Creation of 'Loyal' Party Cells

SK0106040795 Pyongyang NODONG SINMUN in Korean 10 May 95 p 2

[Article by Paek In-chol, secretary of the Party Committee of Chongsan-ri in Kangso District: "A Campaign To Create Loyal Party Cells and the Ri [Village] Party Committees"]

[FBIS Translated Text] From the early days, the great leader [yongdoja] Comrade Kim Chong-il has concentrated his energy on the work to strengthen party cells, the basic organizations in the lowest echelon of the party. In terms of the brilliant leadership of the respected and beloved Comrade Kim Chong-il, his classic work "Let Us Strengthen Party Cells," published on 10 May 1991, carries great significance.

In his work, the great leader Comrade Kim Chong-il clearly elucidated the questions of principle arising from creating loyal party cells, including questions of fostering party members as loyalists and dutiful sons and daughters; of effectively carrying out the organization of and guidance to the party and the work with the masses; and of enhancing the role of the secretaries of party cells. In the previous period, the above-mentioned work served as a precious, guiding principle for party organizations at various levels to intensify their guidance to party cells and to strengthen the basic organizations of our party; it now displays its great vitality with each passing day.

The great leader Comrade Kim Chong-il has pointed out:

"'Let us make all party cells the party cells of loyalty.' This is an important slogan that our party maintains today, and it is a key task to which party organizations should adhere."

In the previous period, the party committee of Chongsan-ri vigorously carried out the campaign to create loyal party cells under the district party committee, adhering to the campaign as a key task.

Chongsan-ri is a place of glory strewn with innumerable, immortal, and historic relics related to the leadership of the fatherly leader and the great leader Comrade Kim Chong-il. Even though they were busy leading the general work of the revolution and construction, the fatherly leader and the great leader Comrade Kim Chong-il visited the farms in our area in person on several tens of occasions; offered their precious teachings; and extended their hands to those in this area to lead them so that Chongsan-ri could set examples for other ris villages across the country in all respects. The ri party committee vigorously carried out the campaign to create loyal party cells while keeping deep in their hearts the teachings of the fatherly leader and the great Comrade Kim Chong-il, thereby helping all party cells in Chongsan-ri to join the ranks of loyal party cells. Today, through the proud reality in which the above-mentioned work has been embodied, we keenly feel how just is the party's policy to vigorously carry out the campaign to create loyal party cells.

In the previous period, the ri party committee concentrated their enormous efforts on the campaign to create loyal party cells; above all, this was designed to foster party members as genuine loyalists and dutiful sons and daughters.

In his work, the great leader Comrade Kim Chong-il taught that more than anyone else, party members should show loyalty and filial piety to the party and leader. In his work, he helped party members resolutely defend and safeguard the party and the leader; helped them intensify the indoctrination of the chuche idea and the revolutionary tradition; and helped them devote all they have to realizing the intentions and plans of the party and the leader. In this way, he clearly elucidated the questions of principle arising from the party cells' fostering of party members as genuine loyalists and dutiful sons and daughters.

The ri party committee vigorously carried out organizational and political work so that party cells could give top priority to the struggle to embody such ideology and theory. What we paid deep attention to was the work to help all party members in Chongsan-ri think only of the fatherly leader and the great leader Comrade Kim Chong-il, awake or asleep, and devote all of their wisdom and energy to glorifying the leadership achievements of the party and the leader while always keeping deep in their hearts the high pride and dignity in living and working in a land of glory which is strewn with the immortal, historic relics of the fatherly leader and the great leader Comrade Kim Chong-il.

To this end, the ri party committee did a good job in taking good care of, and preserving in their original condition, the historic structures that are strewn with the vestiges left by the fatherly leader and the great leader Comrade Kim Chong-il during their on-the-spot guidance; the party committee steadily carried out relevant and substantial indoctrination work through those historic relics. The ri party committee also worked out a journal showing the dates on which the fatherly leader and the great leader Comrade Kim Chong-il gave their on-the-spot guidance, and helped carry out the work on a normal basis to explain and propagate the precious teachings they gave on the historic dates of their on-the-spot guidance.

In addition, in various forms and methods, as well as in a new and striking fashion, the ri party committee carried out the indoctrination work to make the people deeply understand how great is the boundless love and care which the fatherly leader and the great leader Comrade Kim Chong-il gave to Chongsan-ri, and how great is the glory and happiness they gave to the people of Chongsan-ri. In conformity with the policy put forth by the above-mentioned work, the indoctrination work to foster party members as genuine loyalists and dutiful sons and daughters, and the organization of and guidance to the party, has been carried out in a substantial fashion. As a result, the ideological and spiritual traits of party members in Chongsan-ri have changed beyond recognition; innumerable laudable communist traits have come into bloom among those party members.

Today, with purely clean hearts, all party members in Chongsan-ri are resolutely defending and safeguarding the immortal leadership achievements made by the fatherly leader and the great leader Comrade Kim Chong-il; they are finding their boundless reward and happiness in life by giving joy and satisfaction to the respected and beloved General Kim Chong-il.

In the previous period, the ri party committee concentrated a lot of effort on fostering all party cells as loyal party cells so the party cells could decisively increase the production of grain by thoroughly accomplishing the tasks put forth by the above-mentioned on-the-spot guidance.

In his work, the great leader Comrade Kim Chong-il taught that party cells of units that received the above-mentioned on-the-spot guidance should stand at the head in all respects by taking better care of their own units and by thoroughly accomplishing the tasks put forth by the above-mentioned on-the-spot guidance. While upholding the party's intentions, the ri party committee set concrete and stage-by-stage struggle goals for the party cells to attain in accomplishing their unfinished tasks, as well as the tasks they should permanently adhere to so that, on the basis of the party committee's comprehensive understanding and its analysis of the relevant circumstances of those tasks the fatherly leader and the great leader Comrade Kim Chong-il put forth during their on-the-spot guidance to Chongsan-ri, they are being accomplished; the party committee helped party cells unconditionally accomplish those tasks.

In conformity with the demands of the Chongsan-ri spirit and the Chongsan-ri method, the ri party committee vigorously carried out the organizational and political work so that relevant officials could go deep down into the rank and file of party members and play the vanguard role in accomplishing the tasks put forth by the above-mentioned on-the-spot guidance; whenever difficult questions arose, the party committee helped party cells mobilize the masses to solve those questions. In the process, those in Chongsan-ri achieved much success in accomplishing the on-the-spot guidance, including the fatherly leader's teachings on the need to set examples before the entire nation in the production of grain. In 1993 alone, the fatherly leader expressed his satisfaction on several occasions, praising those in Chongsan-ri for having done a good job in farming by accomplishing the chuche farming method. Last year, the farms in our area overfulfilled the plans set by the state on all indices of grain, vegetables, fruits, and silkworms.

Ri party committees have also paid deep attention to the work of enhancing the role of party cell secretaries in the campaign to create loyal party cells.

As elucidated in the work, enhancing party cell secretaries' role is an important guarantee for strengthening party cells.

Ri party committees have set aside a day for party cell secretaries every month and conducted various forms of work such as discussions on experiences, workshop, and short job-related courses regularly in order to enhance party cell secretaries' ability. Along with this, we have actively helped and backed party cell secretaries so they can properly carry out their work with party members and the masses. In particular, we have concentrated greater efforts on leading party cell secretaries to become a mirror, a model of party members in all fields of work and life.

With the enhanced role of party cell secretaries under the guidance of ri party committees, and the strengthening of ideological indoctrination work for party members and the guidance to party members' party lives, carrying out party cell work more vigorously has been made possible, and accordingly, the vitality of the campaign to create loyal party cells has been more highly demonstrated.

Four years have passed since the great leader Comrade Kim Chong-il published the classical work, "Let Us

Strengthen Party Cells." During these days we have come to realize that when we vigorously wage the campaign to create loyal party cells by upholding the party's intent we can foster all party members in ri into genuine loyalists, dutiful children and actively contribute to increasing grain production.

The brilliant successes achieved in the course of waging the campaign to create loyal party cells clearly prove the correctness of the work.

Today we are further deepening the guidance to party cell work in conformity with the demands of the reality in which all party cells in ri have entered the ranks of loyal party cells.

As the experience of many units shows, it is important to enter the ranks of loyal party cells, but no less important is the struggle to consolidate loyal party cells qualitatively. Keeping this in mind, ri party committees are intensifying party work, grasping as the main task the work of leading all party cells in ri to brilliantly put into practice the pledge they made in their letter to the great leader Comrade Kim Chong-il.

Making all party cells loyal party cells and demonstrating the vitality of the campaign to create loyal party cells on a continuous basis is precisely our party's consistent policy.

We will more actively wage organizational and political work based on our experience, so that all party cells in ri can boundlessly glorify the honor as loyal party cells. In this way, we will make this year, which marks the 50th anniversary of the founding of the party and the 50th anniversary of national liberation, a year of bumper crops unprecedented in Chongsan-ri.

Paper Stresses Upholding Single-Hearted Unity

SK3105131695 Pyongyang MINJU CHOSON in Korean 11 May 95 p 1

[Editorial: "Let Us Vigorously Carry Out the Socialist Construction By Upholding the Banner of Single-Hearted Unity"]

[FBIS Translated Text] In its slogan on the occasion of the 50th anniversary of the founding of the party, the Workers Party of Korea [WPK] Central Committee appealed that all functionaries and working people should accelerate socialist construction by single-heartedly uniting with each other.

"Let us live with a single-hearted ideology, advance with a single-hearted spirit, and win a greater victory with the might of single-hearted unity!" Reflected in the slogan is the revolutionary will of our party and people who want to endlessly consummate the chuche revolutionary cause generation after generation by more firmly consolidating the single-hearted unity of our revolutionary ranks centered on the great leader Comrade Kim Chong-il. By upholding the party's call, the entire party, the entire army, and all people should vigorously accelerate the all-out socialist march with the might of single-hearted unity. This is the important task assigned to our functionaries and working people today.

The great leader Comrade Kim Chong-il has indicated: "The firm guarantee for the final completion of the socialist cause is to adhere to, strengthen, and develop the single-hearted unity of the leader, party, and masses generation after generation."

Unity is power as well as a basic factor that determines the success or failure of the revolution. The revolution can be started with unity, and by the might of unity it can be victoriously advanced and completed.

The socialist cause is the revolutionary struggle to achieve the popular masses' independence. As shown in all revolutionary struggles, to complete the socialist cause we should achieve the most powerful and solid unity and cohesion that can easily defeat any powerful enemy, that can smoothly overcome difficulties and obstacles, and that can never change no matter how uncertain the times may be.

Single-hearted unity is the most powerful, solid, organizational, and ideological unity that is forged; it is based on the revolutionary ideology of the leader [suryong] and centers on the leader [suryong] as well as the unity of morality and obligation.

Because of the might of single-hearted unity, our revolution has been able to victoriously move forward since the day the revolution opened. Single-hearted unity is the philosophy of our revolution as well as the great foundation of the entire world.

Today, the single-hearted unity of our people, who are firmly united around the great leader Comrade Kim Chong-il, has been more firmly consolidated than ever before. Our people are effecting a great upsurge in revolution and construction by changing the great sorrow of losing the fatherly leader into might and courage. Also, they are vigorously advancing by smashing all kinds of maneuvers of the imperialists and reactionaries, thus upholding the socialist banner. This is because all people are single-heartedly united around the great leader Comrade Kim Chong-il. The reality clearly proves that the single-hearted unity of the people is ever-victorious.

The party Central Committee's slogan has prepared a guideline for victoriously accelerating the movement for today's all-out march by more highly safeguarding, adhering to, and displaying the tradition of single-hearted unity in which its justice and vitality were proved through our revolutionary practice.

Moving forward by upholding the banner of single-hearted unity is the basic demand to accelerate the socialist construction and hasten the victory of the revolution.

We are assigned a heavy and honorable task to fully display the superiority of the popular mass-centered socialism of our own style by accelerating socialist construction in conformity with the demands of the developing revolution. Single-hearted unity is the key to victory in the rewarding struggle to achieve the development and prosperity of our country, our fatherland built by the fatherly leader and glorified by the dear leader Comrade Kim Chong-il.

The leadership of the respected and beloved Comrade Kim Chong-il is an ever-victorious leadership that can change adversities into blessings; it is a great leadership that amplifies the popular masses' strength to effect turnabouts of the century. If the entire party, all the people, and the entire Army fight while being firmly united around our respected and beloved comrade supreme commander, we can occupy any strong fortress. All functionaries and working people should further and stoutly strengthen the unity and cohesion of our revolutionary ranks in which the leader [yongdoja] and people are united in blood in carrying out today's worthwhile struggle to accelerate socialist construction.

What is more important than anything else in accelerating socialist construction while upholding the banner of single-hearted unity is to deeply bear the faith to share our destinies with the great leader [yongdoja] Comrade Kim Chong-il until the end.

The great leader Comrade Kim Chong-il is the symbol of victory and the future of the fatherland. The fatherland's prosperity and the people's happiness lie in upholding the great leader Comrade Kim Chong-il forever at the top of our party and revolution. We should deeply learn by experience the greatness of the ideas, leadership, and traits of the dear leader Comrade Kim Chong-il, and should always bear firm faith to absolutely admire only their leader under any circumstances, to completely entrust their destinies and future to the great leader Comrade Kim Chong-il, and to invariably follow the party to the end. We should also bear faith that the great leader [widaehan suryongnim] is Comrade Kim Chong-il, and Comrade Kim Chong-il is the fatherly leader [oboi suryongnim]; we should firmly prepare ourselves to become genuine, faithful subjects who fulfill their loyal and filial duties for the dear comrade leader as they did for the leader [suryongnim]. Early in the beginning of the Korean revolution, fascinated by his greatness and noble traits, young communists were firmly united around the respected and beloved general with their pure revolutionary conscience and revolutionary sense of duty. When all functionaries and working people bear the leader's [yongdoja] greatness deep in their hearts and unselfishly and unpretentiously uphold the dear leader Comrade Kim Chong-il with faith and a sense of duty, like those young communists upheld the great general in the past, they can strengthen the might of our revolutionary ranks as invincible and can brilliantly complete our socialist cause that has constantly advanced through the years.

To firmly establish the unitary leadership system of the great leader is important in accelerating socialist construction while upholding the banner of single-hearted unity.

The unitary leadership system of the leader [yongdoja] is a leadership system needed to defend and complete the achievements of the leader [suryong] who pioneered the road of revolution for the first time generation after generation. Only when the unitary leadership of the leader is realized will it be possible to accelerate the revolution and construction in accordance with the leader's [suryong] ideas and intents as well as to guarantee the revolutionary ranks' unity in ideology and will and the unanimity of their acts.

Functionaries and working people should firmly establish the revolutionary trait of bearing the great leader Comrade Kim Chong-il's ideas as faith and of thinking and acting only in accordance with them. They should establish a firm revolutionary discipline in which all people act as one under the unitary leadership of the dear leader Comrade Kim Chong-il, protect and guarantee the absolute authority of the respected and beloved comrade supreme commander in every way, and firmly establish a mosquito net to prevent various strange ideological trends that run counter to our party's revolutionary ideology from infiltrating us. The unitary leadership for the entire society is realized in the course of implementing lines and policies presented by the leader [yongdoja]. All functionaries and working people should accept the lines and policies presented by the great leader Comrade Kim Chong-il as the most just ones, and should firmly establish a revolutionary trait to thoroughly implement them in any difficult condition and environment.

The might of single-hearted unity must be fully demonstrated in the practical struggle for socialist construction.

Single-hearted unity is the source of stimulus for socialist construction. The limitless might of the people's single-hearted unity gives strong impetus to today's worthwhile, general march toward strengthening the valuable revolutionary remains that the great leader prepared by devoting his entire life as an eternal asset to enrich our country, our fatherland. The might of the united people must be expressed in the practical results of the struggle to implement the party's revolutionary economic strategies.

The party Central Committee's slogans strongly appeal to all the people to vigorously struggle to implement the fatherly leader's behest without fail by thoroughly implementing the party's revolutionary economic strategies. While greatly displaying the revolutionary trait of self-reliance, functionaries and workers should overcome difficulties with their own strength by making new things and finding necessary things to make up for the deficiencies, and should unconditionally fulfill the revolutionary tasks assigned by the party, displaying a sense of responsibility and creativity. All sectors of the national economy, including agriculture, light industry, and external trade, should stoutly push ahead with the struggle to implement the teaching left by the great leader and should vigorously carry out the loyal struggle to effect upsurges in production. By doing so, they should make the entire country seethe with active creation and innovation as well as make greater progress in the struggle to occupy a new and higher ground of socialist construction.

To enhance the functions and role of the people's power organizations is very important in vigorously accelerating socialist construction while upholding the banner of single-hearted unity.

Functionaries at power organizations should regard it as a life-and-death task that concerns the destiny of socialism to defend and glorify the tradition of single-hearted unity, should correctly educate and instruct all social members, and should firmly prepare all of society as a large family whose members help and lead one another.

With an attitude worthy of the people's genuine subjects and sincere errand men, functionaries of power organizations should always mingle with the masses to share happiness and sorrow with them, as well as to solve and meet their problems and needs in a timely fashion, and should make every effort to have the party's consideration reach the people in a better manner and realize the party's intent to make the people enjoy more abundant and happier lives. While doing so, they should consolidate the links between the party and masses as well as increase the popular masses' trust in the party so as to harden our revolutionary ranks as a united body, represented by the perfect unity between the party and the people. The single-hearted unity among the leader, the party, and the masses is the most powerful weapon for today's movement of general onward march to accelerate the socialist cause. As long as we have the party's wise leadership and the might of single-hearted unity around the party, we have nothing to be afraid of and can do everything.

Let us all bear deep in mind the party Central Committee's slogans and vigorously accelerate socialist construction, upholding the banner of single-hearted unity so as to add luster to the superiority of the popular masses-oriented socialism of our own style and demonstrate the dignity and majestic appearance of chuche Korea all over the world.

South Korea

U.S., North Hold Working-Level Meeting 1 Jun

SK0106084995 Seoul YONHAP in English 0840 GMT 1 Jun 95

[FBIS Transcribed Text] Kuala Lumpur, June 1 (YONHAP) — The United States and North Korea Thursday held a working-level officials meeting on the type of light-water reactors to be provided to the North, under a nuclear agreement signed last October, in an effort to summarize the outcome of the bilateral nuclear talks which started May 20 in the Malaysian capital.

"Today's meeting was held in accordance with the agreement reached last night between chief delegates of the two countries, that the two sides will summarize their discussions in order in the middle of the talks," said Chong Song-il, one of two North Korean delegates to the talks, emerging from the two-hour morning session for lunch.

"We will meet again in the afternoon for another session but it's not clear whether the talks will continue tomorrow," Chong said.

Responding to reporters' questions regarding whether the two sides worked on documentation of the agreements made so far, Chong said that "there were no such documents."

A source close to the talks said that the morning session focused on establishing the format of the talks rather than organizing what was discussed, adding that the two sides will further exchange opinions during the afternoon session.

Gary Samore, director for nonproliferation of the U.S. State Department, and Yi Yong-ho, Samore's North Korean counterpart, led the working-level talks.

Prosecution Decides To Indict 3 U.S. Soldiers

SK0106110995 Seoul YONHAP in English 1104 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — The Seoul prosecutor's office Thursday decided to indict three of the five American soldiers allegedly involved in the subway violence of last May 19.

One of the three facing indictment is Sgt. Frank Golina (phonetic), age 31, assigned to the Eighth U.S. Army Military Police unit.

A prosecution source said the Seoul prosecution questioned the five soldiers earlier in the day and found three of them having actively taken part in the assault of the Korean victim, Cho Chong-kuk, 28.

All the five American soldiers initially denied the charge of battery, conceding, however, that Cho first assaulted them and they struck him back in an act of legal defense.

But, the servicemen adamantly rejected the charge that they sexually harassed a woman passenger in a subway coach.

"We have decided to drop the charge of sexual harassment because the alleged victim has not showed up and there is no way to substantiate the accusation," the source said.

If the three were actually prosecuted, they would be tried at Korean district and appellate courts, and, if found guilty, would serve at a Korean prison under the Status of Forces Agreement.

Meanwhile, the prosecution plan to summon Pvt. Michael Noel (phonetic), 20, of the U.S. Second Division early next week for questioning.

Noel is suspected of sexually assaulting a Miss Cho, 20, an employee of a club for American soldiers at Uijongbu, Kyonggi Province on the night of last May 22.

U.S. Military on Restricting Suspected Soldiers

SK0106113895 Seoul YONHAP in English 1128 GMT 1 Jun 95

[FBIS Transcribed Text] Chunchon, June 1 (YONHAP) — U.S. military authorities have promised to keep six American servicemen charged with assaulting a Korean from leaving the country until the Korean authorities wind up legal procedures against them.

Capt. Robert Eart (phonetic), information officer of Camp Page, said Pfc. Paul Zullen (phonetic) and five other G.I. suspects are currently restricted to the compound and subject to the U.S. military's own disciplinary action depending on the outcome of investigation by the Korean police.

The six servicemen are suspected of assaulting a Korean on a road near Korea Telecom office at Soyang-ro, Chunchon on last May 21.

The American officer also said U.S. military authorities would determine the authenticity of the statement of Sgt. Troy Manella (phonetic) making use of a lie detector as he insists that he borrowed a boat at 4,000 won.

"We cannot punish Sgt. Manella based simply on the outcome of a lie detector test," Capt. Eart said, adding the lie detector test is conducted in a policy to cooperate with Korean authorities' investigation to the maximum extent.

Stanton Group Allegedly Refines Oil in North

SK0106012695 Seoul YONHAP in English 0046 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — Stanton Group, the first U.S. business concern to conclude an investment contract with North Korea, brought crude oil into North Korea from a third country and refined it there last month, business sources said Thursday.

The American business group is also reportedly promoting a possible visit to the United States by a North Korean trade mission with an aim to expedite its business links with the North.

The Stanton Group brought 100,000 tons of crude petroleum to the Najin-Sonbong free economy and trade zone from a third country and had it refined at Sungni Chemical Plant, an oil refining facility, in May on a processing-on-commission basis, according to the sources.

The group is promoting participation in the operation of the oil refinery and a thermal power plant in the Najin-Sonbong free economy and trade zone. Heavy oil produced in the refinery was offered for power generation at the thermal power plant, while petroleum and gas were exported to third countries, the sources said.

North Korea has been suffering from a serious power shortage as crude oil imports from China, its major source of such imports, have declined sharply in recent years due to China's crude oil shortage and China's demand for hard currency transactions. Accordingly, North Korea appears to be using the crude oil refining facility on a processing-on-commission basis through the Stanton Group as a means of overcoming its energy shortage, the sources opined.

Following a survey of the Sungni Chemical Plant, the Stanton Group recently submitted a report to the U.S. Senate Energy Committee, stating that the plant can resume operations at an early date, and that there is sufficient room for the group, if approved by the U.S. Administration, to engage in power generation and oil refining businesses in the Najin-Sonbong zone.

As it became difficult for U.S. businessmen to visit Pyongyang due to the stalled light-water reactor negotiations between Washington and Pyongyang, the Stanton Group is promoting a possible visit by members of a North Korean mission to America for the purpose of advancing its business plans with North Korea, the sources said.

Boat Incident Due to Lack of Maritime 'Guidance'

SK0106031495 Seoul THE KOREA TIMES in English 1 Jun 95 p 3

[FBIS Transcribed Text] South Korean-registered trawler Usong-86, which was captured by a North Korean gunboat Tuesday, was presumed to have gone astray into the North's territorial waters due to the lack of navigational guidance by maritime authorities concerned.

The 103-ton fishing boat was on its way back to its home port of Inchon at the time of the incident after being released from a Shandong port in China, where it was detained for fishing crabs in its waters without permission.

The fishing boat, an auxiliary to its mother ship Usong-86, doesn't have its own navigational devices aboard and, thus, relies on the knowledge of its crew while navigating the high seas.

According to the Inchon Maritime Police yesterday, the ill-fated boat sent a message by radio to an Inchon communication center Monday that it left the Chinese port at 2 p.m. [0500 GMT] and it was located 10 miles off the Chinese coast, heading south for Inchon at the speed of 12 knots. The center is run by the National Federation of Fisheries Cooperative (NFFC).

The maritime police, however, neither guided nor checked the location of the ship for the next 17 hours before a second radio contact was made at 7 a.m. Tuesday morning [2200 GMT 30 May], unilaterally concluding that the NNFC was on the ball.

The police received a wakeup call at 8:30 a.m. when the NNFC communications center reported that it couldn't locate the ship. Later it was confirmed that the ship lost its bearings and strayed into the North's territorial waters well above the Northern Limit Line [NLL], the maritime divider of the North and South.

At 9:20 the maritime police relocated the boat, which was seen well past the NLL, and called in the Navy to guide it back to safety.

However, Han Chae-su, the owner of the boat, gave a conflicting account on the final hours leading to the boat's encounter with a North Korean gun-boat.

"The Usong-86 reported its location to the maritime police at 6 a.m. Monday and received navigational instruction Monday morning," he claimed.

Seoul Reconfirms Position on Rice Aid to North

SK0106094295 Seoul YONHAP in English 0653 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — Top South Korean Government officials reaffirmed Thursday their recent resolution that issues related to the welfare of the Korean people should be dealt with between South and North Korea first.

Prime Minister Yi Hong-ku invited Na Ung-pae, deputy prime minister and minister of the National Unification Board (NUB), and Foreign Minister Kong No-myong Thursday to his office to discuss matters concerning the government's plan to provide rice for North Korea.

In the meeting, the three ministers reaffirmed South Korea's position adopted on May 27 in a meeting of related cabinet ministers that the international community, including Japan, should deal with the rice supply issue with prudence considering the peculiarity of inter-Korean relations, Song Tae-ho, chief secretary to the prime minister, said.

They also gave an "affirmative evaluation" to the Japanese Government having taken up the position of respecting the South Korean Government's stance and principles with regard to the rice issue.

"As to North Korea, the ministers looked forward to seeing North Korea endeavor to solve every issue through dialogues, and particularly, to solve the issue of the Usong 86 trawler seized by North Korean naval from the perspective of humanitarian concern," Song said.

Prime Minister Yi, meanwhile, advised cabinet ministers to be cautious when making remarks on sensitive inter-Korean issues in order to avoid possible misunderstanding, Song also said.

Song quoted NUB Minister Na, when explaining his remarks made Wednesday at the National Assembly, saying, "My answer to lawmakers' questions was taken out of context."

NUB Minister Na was quoted as saying at the National Assembly that South Korea's proposal to supply rice to North Korea does not carry any conditions and that South Korea's rice aid is not linked with Japan's possible rice assistance to North Korea.

Later Thursday, the Foreign Ministry issued a statement, apparently revising the remarks of Na.

The statement, which the ministry said was released to reaffirm the South Korean Government's position, said in part, "... It is desirable that South Korea's grain aid of North Korea is done on the basis of direct talks between South and North Korea and that Japan's rice is offered from the perspective of humanitarian assistance thereafter."

Christian Groups Promise Education Aid to North

SK0106122195 Seoul YONHAP in English 1150 GMT 1 Jun 95

[FBIS Transcribed Text] Tokyo, June 1 (YONHAP) — Officials of two Christian nongovernmental organizations visited North Korea last April 3-10 at UNESCO's urging and promised North Korea an assistance of 500,000 dollars in school feeding and teaching aid programs, the KYODO news service of Japan reported Thursday.

Quoting a diplomatic source in Beijing, the report said one of the two organizations is the World Council of Churches (WCC).

The 500,000 dollars, committed at the request of North Korea, include 100,000 dollars each in the areas of school feeding, women's vocational training and the provision of equipment for the preparation of elementary school textbooks, and 200,000 dollars in special training of the handicapped.

The aid in school feeding is expected to be provided in kind like rice instead of in cash in view of urgency of the situation in the North, the report added.

Pyongyang Said Relocating 1 Million Residents

SK0106082895 Seoul KBS-1 Radio Network in Korean 0700 GMT 1 Jun 95

[FBIS Translated Text] It has been learned that in recent days, North Korea has been forcibly relocating Pyongyang residents to other areas on a large scale for the purpose of reducing the number of the Pyongyang residents — presently 3.4 million to 3.5 million — by 1 million.

On 1 June, a high-ranking government official concerned cited officials of relevant ROK enterprises and overseas Koreans who have recently been to North Korea. He said he understood that the target residents are workers of some organizations and enterprises, those of unwholesome class origins, and those of rural origins.

This official added: Up until recently, North Korea has limited the number of Pyongyang residents to 2 million with a view to building Pyongyang into a so-called city of revolution. This notwithstanding, Pyongyang has become bigger with the influx of people from local regions. Therefore, under the pretext of conducting an efficient relocation of industrial manpower for projects, such as developing the Najin-Sonbong special economic zone, North Korea has conducted a reexamination of the class origins of Pyongyang residents with the approach of the inauguration of the Kim Chong-il regime. North Korea appears to have begun forcibly relocating Pyongyang residents on a large scale with a view to ferreting out and segregating those people who are deemed possible causes of threat.

This official added: On the contrary, the residents who have been forcibly relocated have clashed with the local residents or have destroyed facilities in the local areas to show their discontent and disaffection at their forcible relocation. As a result, their relocation has, on the contrary, served as a cause of unrest in the North Korean system.

Supplies Sent to Sakhalin Earthquake Victims

SK0106095095 Seoul YONHAP in English 0124 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — A Korean Air (KAL) charter flight carrying 30 tons of relief supplies departed for quake-ridden northern Sakhalin Thursday morning.

Another KAL flight with an equal tonnage of emergency medical supplies, tents, clothing, bottled water and other foods will fly to Yuzhno-Sakhalinsk Airport, about 800 kilometers away from the quake-stricken area, late Thursday, according to a Foreign Ministry spokesman.

The 60 tons of relief supplies valued at 300,000 U.S. dollars is the first installment of a 1 million dollar relief plan which the Seoul government has established for the Sakhalin quake victims.

Trade Ministry Says Exports, Imports Hit High

SK0106093695 Seoul YONHAP in English 0821 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — Exports and imports registered 10.72 billion U.S. dollars and 11.81 billion dollars, respectively, last month, both recording an all-time high on a monthly basis.

The figures generated a deficit of 1.09 billion U.S. dollars, resulting in a trade loss of 6.32 billion dollars during the first five months, the Ministry of International Trade and Industry (MITI) said Thursday.

An increased rate of shipments to advanced nations in May surpassed the rate of exports to developing countries for the first time since last November with a difference of 45.2 percent to 36.6 percent, according to MITI.

In particular, exports to Japan and the European Union soared 55.7 percent and 44.4 percent from a year ago thanks to the strong Japanese yen, according to MITI. Imports from the United States showed the highest growth rate with 61.9 percent, followed by Japan with 44.8 percent, the EU with 40.3 percent and China with 42.7 percent.

Heavy and chemical industry products such as steel, automobiles, petrochemicals and semiconductors led the export boom while the growth of imports was driven by capital goods, crude oil and petrochemical raw materials, MITI said.

Apr Balance of Overall Payments Falls Into Red

SK0106094995 Seoul YONHAP in English 0209 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — South Korea's April balance of overall payments is in the red for the fourth consecutive month as the inflow of foreign investment in the South Korean stock market was reduced and South Korean businesses' direct overseas investment soared.

According to the Bank of Korea Thursday, the balance of overall payments, which includes balance of current accounts and long- and short-term balances of capital, have gone into the red with 729 million U.S. dollars in April alone, increasing the total deficit in the January-April period to 2,183 million dollars.

The balance of overall payments deficit reached 693 million U.S. dollars in January this year, 722 million dollars in February and 39 million dollars in March.

South Korea's direct overseas investment reached 924 million U.S. dollars in the first four months of this year, while foreign investment in South Korea stood at 584 million dollars.

The outflow of foreign funds from stock investments here exceeded the inflow by 664 million U.S. dollars in the January-April period this year. The net outflow was 85 million U.S. dollars from May 1 through May 30.

The net inflow of foreign stock investment was 850 million U.S. dollars in the January-April period last year.

South Korea's balance of overall payments has gone into the black every year since 1986, except for 1990 and 1991.

Government To 'No Longer Intervene' in Market

SK0106010195 Seoul THE KOREA TIMES in English 1 Jun 95 p 9

[FBIS Transcribed Text] The government will no longer intervene in the stock market either to boost stock prices or to artificially prevent overheating, a Ministry of Finance and Economy [MOFE] official said yesterday.

He was responding to a call on the government by the progressive Citizens Coalition for Economic Justice to keep out of the stock market.

The coalition criticized the government for an artificial program aimed at beefing up stock prices ahead of the local autonomy election set for this month. It said it was a "politically-oriented policy running counter to the interests of the general public," and a "sacrificing of the stock market on the altar of political expediency."

It said the government has manipulated stock prices through repeated artificial intervention, fattening the pockets of major shareholders and cash-rich big hands at the expense of ordinary small-sum investors. It urged the government to make efforts to foster the self-sustaining power of the stock market by emphasizing market-oriented policies.

Yon Won-yong, director general in charge of securities at the ministry, said that the government has no powerful tool it can use to change the direction of the stock market movement artificially.

He was apparently seeking to send a clear message to investors who always expect the government to act at times of bearishness in the stock market.

His remarks do not necessarily mean that the government will discard the traditional market-oriented policy tools at its disposal.

The MOFE director general says the government will adopt a market-oriented policy whenever it feels the stock market is either sluggish or bullish. For example, the government can increase stock supply when the stock market shows signs of overheating, he said.

The government's indications it will not use "artificial intervention" were welcomed by the chairman of the Korean securities companies, who said he also opposes the government's intervention in the stock market in the future. Yong Yong-kyu, chairman of the Korea Securities Dealers Association (KSDA) expressed the hope that the government will adopt a hands-off policy to ensure the market-driven functioning of the stock market.

The KSDA chairman hoped the government's stock market stabilization program unveiled last Saturday will be its last. He said he personally doesn't favor the government's intervention when the stock market is either cooling off or overheating.

He said Korean investors have become mature enough to make independent decisions on buying or selling stocks on their own. The KSDA chairman, however, said that Saturday's intervention was inevitable because the collapse of the stock market would have been a serious burden on the economy and financial institutions.

The government has told the six trillion won Stock Market Stabilization Fund to buy stocks from this week but the Organization for Economic Cooperation and Development said the government-controlled fund, which is a hindrance to the smooth functioning of the market mechanism in the stock market, must be liquidated. However the fund is not likely to be dissolved next year as scheduled because it has begun to buy stocks again, analysts here said.

Western investors have often criticized the Korean government for manipulating stock prices, action which makes it difficult for investors to make scientific investments.

NSO: Economy in Expansion Stage of Cycle

SK0106104795 Seoul YONHAP in English 0751 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — The South Korean economy today is in the expansion stage of a business cycle that started in January 1993 and is comparable to a similar stage of a former cycle it experienced in September 1985 through January 1988.

The present cycle is the sixth since the government began compiling the composite business index in 1970, according to the economic chronologies of the past 50 years, published by the National Statistical Office [NSO] Thursday.

The expansion of the 1985-1988 cycle was followed by a contraction which was caused by industrial unrest as a result of rampant labor disputes across the country, and this fact signifies that in order for the economy to maintain the present rate of expansion, labor disputes breaking out in industries should be settled.

Of the six business cycles which took place between 1970 and now, the second cycle lasted the longest period of time, five years and three months, from June 1975 to September 1980, and the first cycle was the shortest, lasting only three years and three months, from March 1972 to June 1975.

In all cycles but the fifth which lasted from July 1989 to January 1993 the boom was much longer, an average of 11 months and 20 days longer, than the bust. This means the economy has developed in asymmetrical cycles over the past quarter century.

In particular, the boom of the second cycle lasted the longest period, three years and eight months, but it was shorter than the U.S. economy's boom of seven years and nine months from November 1982 to July 1990 and the Japanese economy's cycle of four years and five months, experienced between November 1986 and April 1991.

In May 1995, the economy was in the expansion phase of its sixth cycle which started in January 1993, and the boom was chiefly due to increasing exports and expanding corporate investment in equipment and plants, while the money supply and prices were relatively stabilized.

The composite business index stood at 120 at the end of April, but started with a base figure of 100 in January 1993 when the present cycle started. This means that in one year and three months the economy expanded by 20 points based on the index, indicating the expansion pace was larger than the comparable rate of expansion of the third cycle, but smaller than that of the fourth cycle.

The first cycle from March 1972 to June 1975 saw a boom due to special demands created by the Vietnam war and the special financial measures that lowered interest rates and froze usurious loans to industries, but the first oil crisis brought the boom to an end and caused a downturn in the economy.

The second cycle (June 1975-September 1980) saw the upswing continue for three years and eight months, thanks to a construction boom due to increasing demands in the Middle East and a brisk real estate market, but the second oil crisis in July 1979, an ensuing runaway inflation rate, and political unrest stemming from the assassination of President Pak Chong-hui in October 1979 caused the economy to slide downward.

The third cycle (September 1980-September 1985) saw the economy grow at a snail's pace as a result of the general recession of the world economy, and the economy sustained a short temporary bust during the expansion period. The rising protectionism in major trading countries made the cycle move downward to an end.

In the fourth cycle (September 1985-July 1989), the economy sharply expanded with the help of "three lows" — low oil prices, low interest rates and low won value against the dollar — which boosted exports and facilities investment. But the rampant labor strikes after 1988 and runaway inflation rate replaced the boom with a bust.

The fifth cycle (July 1989-January 1993) saw the construction boom due to the government's plan to build 2 million housing units lead the economy to expand, but the ever-rising wages and property prices combined with the prolonged recession of advanced economies to usher in a contraction of the economy.

Defense Ministry Submits 1996 Budget Draft

SK0106033295 Seoul YONHAP in English 0248 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — The Defense Ministry has decided to seek a defense outlay of 12,416.8 billion won (16,336 million dollars) in the fiscal 1996 budget bill, a 12.5 percent increase over this year's 11,074.4 billion won.

The defense expenditure is expected to account for approximately 3.3 percent of the country's gross national product (GNP), if it remains unchanged after undergoing joint deliberations with the Finance and Economy Ministry.

To boost the morale of career soldiers, the ministry's budget plan calls for creating a long-term service allowance system under which each soldier, ranging from general-grade officer to career non-commissioned officer, will be paid 100,000 won every month.

The planned expenditure breaks down to 8,950 billion won for management and personnel expenses (up 14.1 percent from this year) and 3,511 billion won for combat power development and maintenance costs (up 8.8 percent).

A Defense Ministry official said Thursday the budget has been formulated with much emphasis on boosting the morale of soldiers, improving the working environment, improving education, training and defense intelligence system.

ULD Forms Lineup, Appoints Han Floor Leader

SK0106090495 Seoul YONHAP in English 0616 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — The splinter opposition party, the United Liberal Democrats (ULD), formed a new party lineup of major posts Thursday after the Central Election Management Commission (CEMC) formally accepted on Wednesday the party's registration with the CEMC following its recent merger with the New People's Party (NPP).

In the new lineup, Rep. Han Yong-su was appointed floor leader and Rep. Cho Pu-yong was named secretary-general, while Rep. Pak Ku-il became chief policymaker.

A total of 38 members, 24 from the ULD and 14 from the NPP, were also named to the party's top decision-making organization, the Central Executive Council.

Three lawmakers, Mun Chang-mo, Kim Tong-kil and Yang Sun-chik, were named party advisors.

Minister Offers To Talk With Telecom Union

SK0106034195 Seoul YONHAP in English 0156 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — The head-on labor-management confrontation within the state-run Korea Telecom Company showed signs of easing Wednesday as the government and management offered to resume a dialogue with the union.

Information and Communication Minister Kyong Sang-hyon told Chogye Buddhist order leaders that if they took the Korea Telecom union leaders staging a sit-in at Chogye-sa Temple in downtown Seoul to their company, he would guarantee their personal safety and arrange for a meeting with Korea Telecom President Cho Paek-che.

He made the offer after meeting Priests Sihyon and Bopta at his office Wednesday afternoon while discussing the possibility of a peaceful settlement to Korea Telecom's labor dispute.

Minister Kyong's offer to resume a dialogue with the union is a step backwards in the government's policy against holding any talks with union leadership, thus providing them with a chance to settle the strained labor dispute of the company through dialogues.

Earlier in the day, Vice President Sin Tong-ho of Korea Telecom visited the Chogye-sa Temple and told Priest Sihyon that if the union leaders staging a sit-in in the temple return to the company, the company management would resume a dialogue with the union for three to four days and guarantee the personal safety of those union leaders for whom arrest warrants have been issued. He later called union leader Yang Han-ung to inform him of the offer.

The dialogue was not resumed Thursday morning, as the union demanded that the company either issue a written statement pledging to guarantee the personal safety of union leaders or make an official announcement to that effect.

Later in the afternoon, President Cho Paek-che called on Bishop Choe Chang-mu and father Chang Tok-pil in Myongdong Catholic Cathedral to ask for their help in bringing to an end the sit-in six union leaders are staging at the Cathedral.

Asked if he was ready to resume the dialogue with the union, Cho told reporters the union leaders who violated the law must surrender themselves to police and undergo legal proceedings.

He said he knows nothing about Minister Kyong's offer to resume the dialogue, adding, "I can't sit at the table with them."

Seoul Subway Trade Union Reports Labor Dispute

SK0106091595 Seoul YONHAP in English
0718 GMT 1 Jun 95

[FBIS Transcribed Text] Seoul, June 1 (YONHAP) — The Trade union of the Seoul Metropolitan Subway Corp. reported the outbreak of a labor dispute to the Labor Ministry and the central labor committee Thursday.

Earlier in the day, the union held a general meeting at the front yard of its office in Yongdap-tong, Seoul, during which they decided to report the dispute to the authorities concerned.

According to related laws, the trade union should report the existence of a dispute to the government and are then given a 15-day cooling-off period before they are allowed to take industrial action.

The trade union said it has held nine rounds of negotiations with management of the city government-run corporation, but to no avail.

Unionists have demanded the corporation raise their annual salaries by 10 percent and that management drop a suit filed against the union to demand 5.1 billion won in damages for losses caused by industrial actions of the union last year.

The union also demanded that the corporation reinstate 38 employees dismissed in connection with last year's labor disputes.

The corporation, however, has maintained the position that it cannot accept those demands.

Burma

Resistance Official Criticizes U.S. Leadership

BK2805134195 Bangkok THE SUNDAY POST in English 28 May 95 p 23

[Article by Myint Thein, senior adviser to the Burmese Resistance: "U.S. Lacks Leadership on Asian Issues"]

[FBIS Transcribed Text] America is the world's only superpower. But in Asia, America is treated like an armed bodyguard rather than as a respected leader. Due to China's aggressive behaviour in the Spratly Islands, Asian leaders want America's promise not to withdraw 100,000 US troops in Asia. At the same time, Asian leaders have not asked for an American leadership role in Asia. And the hard reality is that they may not want it.

Asian leaders want America to protect their countries against an increasingly aggressive China. Yet at the same time they want America to ignore the silent takeover of Burma by the Chinese military.

Asia leaders want America to protect their freedom. Yet at the same time they want America to ignore their collaboration with the Slorc [State Law and Order Restoration Council] and ignore the 40 million hostages in Burma.

But you cannot blame the Asian leaders for the collapse of the American leadership role in Asia. America's declining role in Asia was self-inflicted. The US State Department clearly lacks strong leaders. People either have leadership abilities or they don't. And, unfortunately, the bright, very talented State Department officials don't know how to lead.

The best example of lack of US leadership in Asia is reflected in the letter Secretary of State Warren Christopher wrote to Lane Kirkland, president of the AFL-CIO. The AFL-CIO is America's largest and most powerful labour union.

Kirkland had asked for a full trade and investment embargo against Burma. Christopher's response was that the State Department had regularly explored whether there would be support for such an embargo with our Asian allies. And they found such support lacking.

This is just bureaucratic doubletalk. If the world's only superpower decides to impose a full trade and investment embargo against the likes of the Slorc, full and complete co-operation from its allies can be expected. The allies will ignore and show disrespect only if you clearly lack leadership ability.

Asian leaders have excellent political instincts. If China asked Asian leaders to show up for a meeting in Beijing on short notice, almost all of them would show up. At the same time Asian leaders would ignore America's call for a trade and investment boycott against the Slorc. They may be able to treat Warren Christopher in this manner. But they will not be able to treat Madelaine Albright the same way — because Ambassador Albright has leadership ability.

America's foreign policy reflects the personality of Warren Christopher. He is a kind, bright gentleman without the charisma or agenda to act as secretary of state. He is excellent for a caretaker role, but not suitable for a leadership role.

The US Congress is now acknowledging the lack of leadership by the State Department. Recently the US Senate voted 97 to 1 and the House 396 to O to urge President Clinton to reverse the State Department's policy and allow President Li Teng-hui of Taiwan to obtain a US visa to attend Cornell University's alumni reunion in June 1995. "The America that can say no" to China is the result of congressional leadership.

The Burmese Resistance is hopeful that congressional leadership will also force the US government to play a leadership role in removing the Slorc. Last year, Deputy Assistant Secretary Thomas Hubbard visited Rangoon and presented the Slorc with an ultimatum with its "two visions of the future" scenario. The Slorc subsequently rejected political compromise and extended the detention of Aung San Suu Kyi. They attacked Manerplaw and later the Burmese refugees in Thailand.

All the US State Department could do was issue a timid bureaucratic resnonse and say that they were very unhappy with developments in Burma.

They have engaged in endless inter-agency reviews on Burma. All they do is talk. They have done nothing so far to help restore democracy and freedom in Burma. All the existing sanctions against the Slorc were introduced by the Bush administration.

Congress is now again forced to take action to assert America's leadership role in Burma. Senator Mitch McConnell, chairman of the Senate Sub-committee on Foreign Operations, recently visited Rangoon and had meetings with senior Slorc officials.

Senator McConnell simply got fed up with all the lies told by the Slorc that he reportedly told the American Embassy officials that he wanted to take a picture of him wearing a Burmese farmer's hat (symbol of NLD [National League for Democracy] in the 1990 elections) in front of the American Embassy in Rangoon. The embassy officials diplomatically told him they could not find the hat on short notice.

When Senator McConnell returned to Washington D.C., he called on the "United States to take a leadership role in its opposition to the illegitimate Burmese government" (WASHINGTON TIMES, May 4). He also told the Washington Times that "constructive engagement" had failed and that it was time for economic sanctions against the Slorc. Senator McConnell said he would soon introduce economic sanctions legislation against the Slorc.

Congressman Benjamin Gilman, chairman of the House Foreign Affairs Committee, is also planning to introduce legislation against the Slorc. He plans to give US$15 million every year directly to the ethnic minorities for drug eradication programmes. The key provision of this legislation will be that recipients must not be connected to or sponsored by the Slorc.

Senator McConnell and Congressman Gilman are coordinating their legislation against the Slorc. It takes a lot of time and effort to pass a binding congressional resolution. They have therefore decided to focus their activities on passing the economic sanctions bill against the Slorc. The Narcotics Assistance Bill will be introduced at a later date.

We are not sure whether the US State Department will actually implement its threat to downgrade relations with the Slorc and send back Slorc Ambassador U Thaung in disgrace on July 11, 1995. If the State Department is either unwilling or incapable of taking a leadership role in Burma, we can be assured that Congress will take a leadership role and pass binding legislation that will override a presidential veto.

Thai Counterfeiters Receive Life Sentences

BK0106052495 Rangoon TV Myanmar Network in Burmese 1330 GMT 31 May 95

[FBIS Translated Text] Three Thai passengers — Suraphon Taobamrung, Tavee Pettongkam, and Glongkeaw Singka — who arrived in Yangon [Rangoon] by air from Bangkok on 9 April were arrested at Mingaladon International Airport when officials searching their five luggage trunks found 2,198 packets of fake 500-kyat notes. Each packet contained 100 notes and had a value of kyat 109.9 million. They were subsequently booked under Section 489-B of the Criminal Procedure Code.

The Yangon North District Court heard the case, Criminal Case No.24-95, and noted it was evident that the accused had carried the counterfeit money; that the value of the 500-kyat counterfeit notes was kyat 109.9 million and this amount could greatly jeopardize internal currency circulation and cause panic among the citizens; this could also affect the financial stability, the state economic enterprise, and financial procedures, and lessen confidence in the country; it is also necessary to levy a sentence which could deter this kind of crime in the future.

Therefore, Suraphon, age 46, son of Nai (Prasert); Tavee, age 53 years, son of Nai (Suwon); and Glongkeaw, age 54, son of Nai (Sae), were found guilty as charged. They were each sentenced on 30 May to life imprisonment at hard labor. They also were fined fined kyat 200,000, and if they are unable to pay the fine they are to serve another five years imprisonment at hard labor.

Apart from the counterfeit notes, the three had illegally brought in 100 Myanmar [Burmese] 500 kyat notes and were found guilty under Section 24-1 of the Foreign Exchange Regulations Act. They were each sentenced to three years imprisonment at hard labor and fined kyat 50,000 each. If they are unable to pay the fine they are to serve another nine months imprisonment at hard labor.

Brunei, Malaysia & Singapore

Malaysia

Minister: Claim to Island 'Indisputable'

BK0106084495 Kuala Lumpur BERITA HARIAN in Malay 1 Jun 95 p 1

[FBIS Translated Text] Kuala Lumpur, Wednesday [31 May] — Layang-Layang Island's location within Malaysia's exclusive economic zone is clear proof that the island belongs to the nation and its status is indisputable, Foreign Minister Datuk Abdullah Ahmad Badawi said.

He said Malaysia's ownership of the island is very clear not only because of its location in Sabah's waters but also because of the geographical and historical status of the nation's waters.

He said that no foreign country can dispute Malaysian sovereignty over the island, which is part of the Spratlys, a chain of islands claimed in whole or in part by several countries.

"It is inappropriate for any other country to link their claims to the Spratlys to Layang-Layang Island in Sabah's waters," he said when contacted by BERITA HARIAN today.

He was asked to comment on a report from Beijing that China has sovereignty over the Spratlys and their adjacent waters, including Layang-Layang Island.

The report quoted a Chinese Foreign Ministry spokesman as saying that Beijing flatly rejected Kuala

Lumpur's stance that Malaysia has the right to administer Layang-Layang Island.

Abdullah said that Prime Minister Datuk Sri Dr. Mahathir Mohamed reaffirmed Malaysia's ownership of Layang-Layang Island after visiting the island last Friday.

"Accordingly, sovereignty over Layang-Layang Island should not be raised any further.

"Layang-Layang Island has never been linked to the overlapping claims of several countries to the Spratlys in whole or in part," he said.

Last Friday, Dr. Mahathir said that Malaysian sovereignty over Layang-Layang Island should not be disputed and the government will develop the island into a marine tourism destination.

Singapore

Foreign Ministry, PRC To Consult Annually

BK3105131395 Singapore Radio Corporation of Singapore in English 1000 GMT 31 May 95

[FBIS Transcribed Text] Singapore and China have agreed to set up a mechanism for their Foreign Ministry officials to consult each other annually.

The memorandum of understanding was signed today by Chinese Ambassador Yang Wenchang and Permanent Secretary Kishore Mahbubani for the Singapore Foreign Ministry. Singapore has similar arrangements with India and Germany.

Business Daily Details Investments in PRC

BK0106004795 Singapore BUSINESS TIMES in English 10 May 95 pp 10, 11

[List of Singapore investments in China compiled by Alvin Tay and Schutz Lee]

[FBIS Transcribed Text]**Beijing**

1. Guthrie GTS [expansion unknown] has signed a MOU [memorandum of understanding] for the Beijing Railway project, a US$100-million underground shopping and entertainment centre at the Chinese capital's new central train station. The project — which will have a cineplex, bowling alley and over 100 shops — will be jointly undertaken by Guthrie, Lee Kim Tah, two other locally-listed retailers and a Chinese state-owned enterprise.

2. The Hong Leong group, Temasek Holdings and Keck Seng Investments are plouging over US$200 million into a luxury bungalow project in Beijing. Called Beijing Riviera, the project promises to deliver the highest quality of residential housing yet seen in Beijing. The whole development, scheduled for completion in 1997 will offer 497 villas in five different sizes ranging from 185-510 square meters in built-in area.

3. DBS [Development Bank of Singapore] Land is planning a landmark mixed development in phases with a total gross floor area of 500,000 square meters on a 9.26-hectare site. It is located in a prime commercial district of Chaoyang and is within an area designated for an International Commercial Centre.

4. Singapore Land is spending US$1.2 million to add another office tower to its Beijing Landmark Towers commercial complex. The new 23-storey tower will have a net floor area of 17,500 square meters.

5. The Singapore Technologies group has started a cable television venture in Beijing which, if successful, will be expanded to other Chinese cities. The group recently launched a pilot project with a Chinese company to see if a hybrid fibre coax network system would work.

6. Singapore Airlines [SIA] has taken a 40% stake in a joint venture to provide ground-handling services at China's busiest airport, Beijing. The venture — Beijing Aviation Ground Services or BAGS — is between SIA unit Singapore Airport Terminal Services (SATS) and Beijing Capital International Airport (BCIA). SATS has also taken a 40% stake in an in-flight kitchen in Beijing with BCIA.

7. TIBS [Trans-Island Bus Services] Holdings group has signed a US$29-million joint venture agreement with a Chinese bus-maker to assemble luxury tour buses in Beijing. Under the deal, TIBS International and the Beijing Bus Manufacturing Factory (BBMF) will form JingDa Automotive Manufacturing.

8. Koh Brothers group took a 55% stake in Beijing G and W [expansion unknown] Cement Products Co in 1993. This joint venture is involved in the manufacture of ready-mix concrete and rental of construction equipment.

9. Carnaud Metalbox Asia (CMB) signed a joint venture agreement in May 1995 with the China National Packaging Industrial Development Corporation (an affiliate of China National Packaging Corp, a national packaging investment company) to build and operate a new plant in Beijing to make and sell aluminum two-piece beverage cans and easy-open ends.

10. Haw Par Leisure International has signed two joint venture agreements with Brunswick Bowling and Billiards Corp to set up a chain of bowling and recreational centres in China. Negotiations were under way for 16 sites in China.

11. A Singapore group led by architect Liu Kah Teck, the younger brother of Liu Thai Ker, is developing a US$50-million business park in a suburb of Beijing. The project is a joint venture between Singapore's 2001 Development and Investment Ltd and Beijing Feng Xiang Investment Corp. The Singapore party will have an 80% share.

Other investors include Jurong Cement, Superior Metal Printing.

SICHUAN

1. Oilfield equipment supplier Kim Seng Holdings, construction and engineering company Betae Holdings, food chain Yunnan Group of Restaurants, and investment firm Lian Fong Investment have set up Luf Holdings to develop an industrial park for Singapore companies in Chengdu, the capital of China's Sichuan province. The projected three-billion yuan project, to be known as the Singapore Industrial Park occupies a five-square-kilometer plot in Wuhou district. Luf will have a 60% stake in a joint venture with the Wuhou authorities, called Xin Cheng International Development, with a paid-up capital of 50-million yuan for the first phase of the project.

2. Golden Maya International is co-developing the 740-million yuan Chongqing-Singapore Industrial Park. The other partner is the Maya Group, a trading and manufacturing concern. Golden Maya is owned 45% by Maya Group, 45% by Golden Wheel and a few other individuals. Singapore's Trade and Industry Minister Yeo Cheow Tong attended the foundation-laying ceremony for the Industrial Park in September 1994. The park covers 4.8-square-kilometer of land in the Chongqing Economic and Technological Development Zone. It was estimated to cost US$100 million.

3. Golden Maya International also signed an agreement in September 1994 to build an 80-million yuan theme park in Chongqing. The first phase of the park, which will showcase Asian cultures, will occupy 1,350 square meters of land. Golden Maya will have a 70% stake while its Chinese partner will hold 30%. The joint venture will be for 30 years.

4. WBL [expansion unknown] Corporation is a major property developer in Sichuan. In Chengdu, its residential project Garden House Estate has met with good response. It is also developing the 133-hectare Panda Wonderland in Chengdu and the 292-hectare Yangtze Dragon Wonderland in Chongqing. Construction works for the two parks have already started.

5. Jurong Engineering has signed a joint venture agreement to build and run a large-scale cement plant near the city of Dujiangyan in Sichuan province. The proposed 40,000-square-meter plant, which will be ready in two and half years, can produce one million tonnes of high-grade cement a year.

6. Singapore Bus Service signed a MOU in September 1994 with its Chinese partner, Chengdu Bus Factory (CBF). Besides building buses, the joint venture company will also engage in other transport-related businesses such as vehicle repair and maintenance, and trading in vehicle spare parts.

7. Ipco International is jointly investing more than US$100 million with another Singapore company, Venkat Pte Ltd, to build and manage an infrastructural and property project in Chongqing.

8. Pisces Land is developing the Imperial Garden Villa, sited next to the state gardens housing the tombs of two Chinese emperors. Building of the 40 units in the final phase began in 1995 and it expected to be completed by the end of the year.

YUNNAN

1. Straits Steamship Land is developing a 500-hectare plot of land at Yangzonghai, Kunming into an integrated holiday resort complex. When completed, the entire complex will comprise two 18-hole golf courses, hotels, holiday chalets, bungalows, villas, and a cultural village. It will be ready in 1996.

2. Keppel Corporation and Jurong Cement will invest a total of 90-million renminbi in a cement plant project in China. Keppel said it had formed a 50-50 joint-venture company with Jurong Cement called XinMing Investment. In turn, XinMing signed an agreement with Kunming White Cement Plant in August 1994 to acquire the business and fixed assets of the latter. Under this deal, XinMing has a 70% stake in Kunming White, which will retain control of the other 30%.

3. Publishing company Pan Pacific Publications is jointly developing a golf course, leisure and entertainment park in the Black Stone Forest in Kunming. Pan Pacific invest 21 million renminbi for a 70 per cent stake. It has also signed a MOU with Yunnan Xin Hua Bookstore to develop a 28-storey book distribution centre in Kunming.

HAINAN

1. Asia Pacific Breweries [APB] has formed a joint venture to build a brewery in Hainan. The brewery is the group's first greenfield project in China. Its partner is Hainan Brewery Co. APB holds a 80% stake and Hainan Brewery 20%. The first phase, expected to cost US$67.5 million, will produce 650,000 hectolitres of beer a year.

2. Provisions Suppliers Corporation's [PSC] wholly-owned PSC Investment has teamed up with China Hainan Sanya Fu Dao Hotel Co. They will form a firm called Sanya Fu Dao Tourism Co in Sanya City, Hainan Province. The initial paid-up capital will be US$6.9 million. PSC will invest US$2.75 million for a 40% stake.

HENAN

1. A working group comprising five local companies with secretariat support from the Trade Development Board has been formed to take part in developing logistical projects in port transportation between Singapore and China's central Henan province. The group, called Singapore Working Group (SWG), will provide logistical services by handling the entire range of multi-modal distribution activities within and beyond China. Its members are Asia Pacific Logistics Services (APLS), APLS-Bok Seng Logistics, Lian Huat Shipping Co, Poh Tiong Choon Holdings (PTC), and Soon Hock Container and Warehousing. As a kick-off project, SWG has selected the Zhengzhou Highway Port project, which carries an initial investment value of US$30 million in the first five years. SWG will operate jointly with the Highway Port Integrated Transportation Co. of Henan, with each partner holding 50% of the shares. This is the first highway port in China and a 17.7-hectare plot of land located strategically at the intersection of China's North-South and East-West highways and railways has been reserved for this project.

2. Local listed food distributor, QAF [expansion unknown] Ltd, and four other parties teamed up with China's largest meat product manufacturer to set up a [Singapore dollar] S$100-million joint- venture company in Henan province. The assets of the Chinese company, Luoyang Chundu Shareholding Company Group Ltd, valued at 268.95 million renminbi (S$48m) will be injected into the joint venture — Luoyang Chundu Industry Co Ltd (Chundu Industry) in Luoyang City. In return, it will own 48% of the 560.31-million renminbi capital of the new company. Luoyang Chundu produces mainly sausages and cooked meat products. It has been in the meat refrigeration and processing business for over 35 years.

3. Transpac Industrial Holdings has signed preliminary agreements with two Henan companies for separate manufacturing projects here. The first is to set up a joint venture to make gelatin and gelatin capsules for the pharmaceutical industry, and the other is to expand the production capacity of an existing mineral water bottler.

4. The refrigerator joint venture between the Hong Leong Group and Xinfei Corporation. Officials from the Henan Foreign Trade and Economic Cooperation Committee said that Hong Leong's US$100-million joint venture, which is still under negotiation, will be the largest project for a Singapore company in the province. Xinfei itself is a joint venture between Henan's Xin Xiang Refrigerator Co Ltd and Dutch electronics multinational, Philips.

Other investors include MJC [expansion unknown] (Singapore) Pte Ltd; Multi-Metal Parts Industry Pte Ltd; Hwa Hong Corporation; Thai Nam Loong Trading; Khong Guan Flour Milling.

HUBEI

1. Liang Court Holdings has picked the rapidly developing hub city of Wuhan to invest in an entertainment and retail theme park called the Wuhan Minzhong Leyuan. It will embark on this US$30-million project through its 70% owned subsidiary, Liang Court Investments. The complex is famous as a seedbed for China's most luminous operas and star.

TIANJIN

1. Inno-Pacific Holdings is setting up the first Shakey's Pizza restaurant in China. It will initially set up a pizza shop in Tianjin through a joint venture company, Shakey's Tianjin. Inno-Pac also has a 30% stake in Tianjin Fuyuan Food Industries — an integrated poultry project. Its stake will soon be raised to 51.4%.

2. Singapore Press Holdings has signed an agreement with two enterprises in Tianjin to set up a [Singapore dollar] S$2.08-million joint venture company in the free trade zone at Tianjin Port. It will provide services in information and advertising.

3. Megaway Group has pumped US$60-million into Tianjin for 51% of the government's share in 50-odd factories in the northeastern coastal province of China. Its Tianjin investment was made through a Singapore-registered joint venture company, Sin Jin International Investment Pte Ltd. The Chinese partner in Sin Jin is the Tianjin Electronics and Instruments Bureau, which used to have majority control of the 50-odd factories. These factories manufacture items ranging from industrial electronics to measuring instruments and optic fibres.

4. Rubber keypad maker San Teh is starting production in Tianjin, China. The plant will also make silicone rubber keypads.

5. SA (UIC) [expansion unknown] Tours will acquire from its parent its share of the Sheraton Hotel in Tianjin in China, for about US$8 million next year. By then, the hotel's operation would have been expanded to include 150 service apartments. UIC owns 36 per cent of the

300-room hotel through another subsidiary, Citic-UIC [expansion unknown] Investment.

6. Siong Bee Investment [SBI], a wholly owned subsidiary of Siong Bee Industries Pte Ltd, has set up a US$8.6-million joint venture to make corrugated cartons in Tianjin. SBI will fork out some US$5.3 million for its 70% share.

LIAONING

1. WBL [expansion unknown] Corporation signed in October 1994 two MOUs as well as a contract with several Chinese firms for projects worth [Singapore dollar] S$95 million including a 400- million yuan shopping and office complex and factories producing medical and computer equipment. WBL plans to build a 48,000-square- meter International City, about a 20-minute drive from the heart of Shenyang, capital of Liaoning province.

2. Shanghai Holdings Pte Ltd has joined hands with three partners to develop a $400-million mega residential and retail complex that could transform Xiao Dong Road into Shenyang city's Orchard Road.

3. TIBS Holdings and Dandong Automobile Works signed a MOU for a US$29-million joint venture to design and manufacture buses and coaches in Dandong city, 300km south-east of Shenyang.

4. United Engineers signed a MOU for a US$10-million tripartite partnership with an Austrian and Chinese firm to manufacture boilers for power plants and home-heating systems.

5. Times Publishing has forged an alliance with China's Shenyang Xinhua Printing Plant to set up a web offset colour printing operation in Shenyang city.

6. NTUC [National Trades Union Congress] Fairprice has obtained a licence to run a supermarket chain in Dalian. The overseas investment arm of the cooperative, FairPrice International Pte Ltd, has signed a joint venture agreement with its two partners, Dalian Sugar Wine Food Company and Dalian International (HK) Pte Ltd. The initial investment in the joint venture is 5 million renminbi. Fairprice has a 52.2% stake in the venture.

Other investors include Cillewinner Trading; Rotary Engineering; Neptune Orient Lines and Singapore Petroleum Co.

GUANGDONG

1. Amcol Holdings has struck a conditional agreement to lead a consortium of companies to build, operate and transfer the new Guangdong section of China's National Highway 107 at a cost of 3 billion renminbi. National Highway 107 is a major arterial road linking the capital of Beijing in the north with Guangzhou in the south. Upon completion of the new lanes in 1997, the existing road will be privatised at 500 million renminbi to a joint venture company, Guangdong Qinglian Highway Development Co Ltd, which will operate it for 30 years. The joint venture company will be 70% owned by Amcol's wholly-owned subsidiary, Amcol Pacific Infrastructure.

2. Amcol Holdings has also announced the purchase of Qingyuan Qiaoyuan Power Plant, making it the first Singapore company to acquire and operate a power plant in Guangdong. Amcol and Hongkong's New World Development Co are paying US$39.5 million for an 80% stake in the power plant.

3. Sembawang group took a 32% stake in a joint venture that will operate an engineering fabrication yard in Shenzhen, China. When finalised, the project will add depth to Singapore's investments in the Chiwan base, which was opened in 1985. The base, set up at an initial cost of US$20 million, is a joint venture between nine Singapore parties and seven Chinese partners. The Singapore companies which together hold a 30% stake, include the JTC [expansion unknown], Intraco and Sembawang group.

7. Two Singapore companies have taken a 46% stake in a joint venture to set up an aircraft repair centre at Shenzhen Airport. Singapore Aerospace (SAe) has 10% on its own and a further 21% through a joint venture company, Singapore-China Merchants Aviation Holdings, while Changi International Airport Services (CIAS) has a 15% stake. The aircraft repair joint venture is Shenzhen Aircraft Maintenance and Engineering Co, which will focus on commercial aircraft maintenance and technical ramp services. Operational details have not been finalised yet.

8. Koh Brothers has been awarded a contract to reclaim a 5.2 square km area at the entrance of a river in Shantou, Guangdong province. Under the agreement, Koh Brothers will also acquire 266,400 square meters of the reclaimed land at a cost of US$15 million. It plans to build a modern township on the site, comprising residential and office buildings, shopping and recreational centres, schools, parks and a sports stadium. Koh Brothers has also formed a joint venture with the Guangdong Province Shantou SEZ [expansion unknown] Construction (Holdings) Corporation to develop a high-rise commercial and residential complex in Shantou, dubbed HuaQing Complex. The Singapore group will invest 30 million yuan in the project and receive 70% of the profits.

9. Overseas Union Enterprise is planning to build a 600-room, five-star hotel worth US$90 million in Shantou.

10. Singapore Petroleum Company [SPC] group has entered into a joint venture agreement in Jiangmen, Guangdong Province. The joint venture company, Jiangmen City Sinjiang Gas Co Ltd, will manage and expand SPC's existing liquid petroleum gas business there once government approval has been obtained. SPC will have a 50% stake in the new company, while its joint venture partner, Jiangmen City Gas Corporation (JCGC), a company owned by the municipal government of Jiangmen, will take the remaining 50%. The joint venture company will acquire JCGC's existing LPG [liquefied petroleum gas] business, assets and facilities for $22.5 million, including an LPG storage terminal and bottling plant at Jiangmen, and also a 1,300-tonne LPG ocean-going tanker.

Other investors — Cerebos Pacific, Yeo Hiap Seng, Superior Metal, IPC [expansion unknown] Corporation, Samta Croup, Dovechem group, Singapore Bio-Innovations, AVS [expansion unknown] Group, Fullmark, Singapore Network Services and TDB [Trade Development Board] Holdings.

SHANGHAI

1. Straits Steamship Land, Sea View Hotel and Sing Holdings are jointly developing a US$100-million 30-storey commercial office building in Huangpu District.

2. Wuthelam has a 60% stake in Nippon Paint China Co, which was established in December 1992. It has factories in Shanghai Huizhou, Guangzhou, Suzhou, Jiangsu, Songching, Sichuan and Beijing.

3. DBS [Development Bank of Singapore] Land and the Far East group's listed vehicle, Orchard Parade Holdings, are jointly developing a US$250-million commercial development in Shanghai. The project, located within Huangpu district, will yield over 98,770 square meters of commercial space. It comprises a six-storey retail podium and 39-storey office tower.

4. DBS Land has also taken a 30% stake in a property development in Shanghai. The project is on a 20,470 square meter site in the Luwan district. DBS Land and its partners plan to build a mainly residential development with some commercial space. The total gross floor area will be about 94,000 square meters.

5. Pidemco Land and Lim Kah Ngam [LKN] are jointly developing a US$100-million complex with offices, shops and apartments in Shanghai. Pidemco will have a 75% stake, while LKN will hold the remainder. The 5,000 square meter site for the complex is located in Huangpu District. The project, due to be completed in late 1998, will have built-up floor space of about 40,000 square meters.

6. Amcol Holdings, a listed property trader and electrical and electronics goods distributor, is developing the Zhongshan Square commercial and residential project in Shanghai. The project sits on a 3.4-hectare site at Changning District in Shanghai. It will comprise two office blocks with 124,894 square meters of space, three residential blocks of 76,524 square meters, and a clubhouse.

7. Guthrie GTS [expansion unknown] has teamed up with a Chinese company to jointly develop a piece of land in Pudong, Shanghai, for residential use at a cost of about US$38.7 million. The group has signed an agreement with Shanghai Golden Horse Real Estate Cc to take a 40% stake in the project for US$15 million.

8. Metro Holdings has three projects in Shanghai. It has a 50% share in Shanghai Roway Real Estate Development Ltd established to develop a 96,000 square meter site into a public housing township of 2,500 units. The group also has a 60% interest in the Shanghai Huimei Property to develop market and manage an office building in Shanghai's Xujiahui international Commercial City. This project is adjacent to the Shanghai Metro Cultural and Entertainment Centre in which Metro also has a 60% stake.

9. Tuan Sing Holdings is involved in three property development projects in Shanghai. The first, located at the Yin Chun residential area in the Min Hang District of Shanghai has an area of about 667,000 square meters. The site is to be developed into a domestic, low-cost housing estate. The second is a residential development project for the local market located at the Xin Xiang residential area of Shanghai. It covers an area of about 53,000 square meters. The third project is the development of an industrial park in the Min Hang District of Shanghai. It covers an area of about 2 million square meters. The group has a 70% share in this project.

10. Thakral Holdings has a 60% stake in Shanghai Thakral Electronics Industrial Corp. The joint venture with Shanghai Meiduo Radio Factory was established in 1992 to manufacture mainly VCRs under the Panasonic brand name.

Other investors include Liang Court Holdings, SsangYong Cement, Sincere Watch, Pisces Land, Venture Manufacturing, Khong Guan, Metalock (S), GRP [expansion unknown], Carnaud Metalbox Asia, Parkway Holdings, Low Keng Huat. NatSteel and Transpac Industrial, YCH Group, and Cosem Pte Ltd.

JIANGSU

Suzhou

1. Singapore-Suzhou Township: Proposed 70 square kilometer modern township comprising industrial, commercial and residential developments. The project is a 35-65 joint venture between the Suzhou municipal government and the Singapore Suzhou Township Development Pte Ltd, a Keppel-led consortium of 19 Singapore companies and Samsung of South Korea. The whole project costs an estimated $30 billion.

2. Keppel Group heads a consortium to develop a diesel generating plant. It will also spearhead a group to build a plant that produces power for electricity and steam for cooling and heating, and another consortium to develop a gas plant.

3. Wing Tai Land (60%) and Suzhou New District Economic Development Group Corp (40%) are jointly developing 100,000 square meters of multi-storeyed residential units in Suzhou. The estimated development cost is 133-million renminbi.

4. The familiar light blue Comfort taxis in Singapore started plying the streets of Suzhou in September 1994. The fleet of 50 new locally assembled Santana taxis is operated by Comfort Group's subsidiary — Suzhou Comfort Taxi Co.

5. NatSteel group and Transpac Industrial Holdings took a combined 49% stake in Yangtze Cement Holdings, a joint venture formed in January 1995 to own 50% in one the major cement works in Suzhou. Also, in October 1994, EI [expansion unknown] Ventures — owned by the two groups — was formed to take a 70% share in Suzhou Eastern Cement Products Ltd. The joint venture company will produce ready mixed concrete and precast concrete products for the construction industry in Jiangsu.

Wuxi

6. The Wuxi-Singapore Industrial Park [WSIP] is being developed by a Singapore consortium led by the Singapore Technologies Industrial Corp and the Wuxi Development Zone Corporation the investment company of the Wuxi municipal government. The Singapore consortium includes Temasek Holdings, Sembawang Industrial and the Salim group of Indonesia. The Industrial Park marked a milestone recently with the handing over of the first factory to disk drive maker Seagate Technology International. The 180-hectare WSIP has 21 tenants to date including Japanese multinationals like Alps, Murata and Sumitomo. Its development will eventually span a massive 1,000 hectares, and comprises ready-built factories as well as prepared land for tenants' own building projects.

7. CWT [expansion unknown] Distribution, Asia Pacific Logistics Services, Pacific International Lines and the Wuxi-Singapore Industrial Park Investment Co set up a joint venture in Wuxi in October 1994 to provide warehousing and distribution services.

8. The Singapore Furniture Industry Council (SFIC) and 19 of its member companies are investing a total of some US$30 million in the Singapore Furniture Industry Park (SFIP) at Kunshan in the Jiangsu province of China. The 310,000 square meter park is located within the Kunshan Economic Technological Development Zone some 50 km from Shanghai port. Among the 19 companies are listed Hwa Tat Lee.

9. Fuji Investment Holding (China), the investment arm of Fuji Offset, has teamed up with Shing Lee Group for a US$200-million township project in Changzhou, Jiangsu. When completed, the 266- hectare township, called Singapore Townsville, will have condominiums, bungalows, shop houses, factories, a shopping centre, a club house and a golf driving range.

9. Other investors include Amcol, Pidemco, San Teh, National Yap, Ssangyong Cement (Singapore), Hwa Tat Lee Holdings, TIBS Holdings.

FUJIAN

1. Singapore is involved in the largest industrial park project in Fuqing, Fujian. Indonesian tycoon Lim Siu Liong, whose hometown was in Fuqing, has been given the go-ahead to develop a 50 square km industrial park called Yuan Hong through his company, Hagemeyer Pacific Fujian. Mr Lim has assigned the management and the marketing of the industrial park to Singapore Pacific Management Services, which consists of Mr Lim's Salim Group, Jurong Environmental Engineering, Singapore Technologies Industrial Corporation, Singapore Land, United Industrial Corporation, and United Overseas Land.

2. The Sembawang group has a power plant project in Fujian.

3. Asia Pacific Breweries made its first direct investment in Fujian in 1993 with the purchase of a 40% stake in Fujian Brewery (Singapore), which owns the Tee Yih Jia (Fujian) Brewery near Fuzhou. It brews and markets the Rong Cheng brands.

4. CWT [expansion unknown] Distribution has set up a joint venture company, Fuzhou Harbour CWT Co, to provide logistics services in Fuzhou. It started operations in August 1994.

5. The NatSteel group is setting up a US$29-million joint venture in Xiamen Fujian province, with two Chi-

nese state companies. Its joint venture, Southern NatSteel (Xiamen) Ltd, will initially operate a rolling mill with an annual capacity of about 250,000 tonnes. The mill, which is located in an area called Xiamen Haicang and Xingling Taiwanese Investment Area (Haicang), will be constructed by the end of this year and be operational in early 1996. NatSteel and Southern Steel Bhd will hold a combined 70%.

6. Pidemco Land has two integrated development projects in the province: The Gateway on a 14-hectare site in Fuzhou, and Xiamen Huiteng Metropolis on a 1.04-hectare site.

7. Chemical Industries Far East Ltd (Cifel) has teamed up with a homegrown shipyard operator and an Indonesian party to develop a US$250-million mini-city in the south-east of Fujian, China. Cifel has a 23% stake in the mini-city project.

8. FairPrice International signed a MOU in April 1993 to develop a supermarket and property project in Fuzhou, Fujian province.

9. Singapore Airlines has taken a 10% stake worth US$6.3 million in an aircraft repair and maintenance joint venture based in the Chinese coastal city of Xiamen.

Other investors include San Teh, Neptune Orient Lines, Pisces Land, Far East Organisation, Hong Leong, Heshe.

ZHEJIANG

1. China-Singapore International is setting up a US$20-million canned food factory and developing a US$53.8-million commercial-cum-retail office block in Ningbo. Its other joint venture projects include a new town, an industrial estate, residential property and a central business district. The shareholders of C-S [expansion unknown] International are Wing Tai, Straits Steamship Land and World-Wide Investments, a Hong Kong investment holding company.

2. Sembawang Resources signed an agreement in November 1994 with Zhejiang Electric Power Bureau to build a US$1.2-billion power plant in Ningbo.

3. Pacific International Lines plans to invest up to US$20 million in four distripark projects in China. The distriparks will be located in Ningbo, Hangzhou, Wuxi and Shanghai. The company has already invested in the Ningbo and Hangzhou projects.

Other investors include Berger International, Koh Brothers.

SHANDONG

1. Bersatu International Ltd, a Hong Kong company owned by Singapore and Thai parties, is developing the 106.7-hectare Longkou Fenglong Industrial Park. It is designed by one of Singapore's largest architect firms, RSP [expansion unknown] Architects Planners and Engineers. Albert Hong is MD [managing director] for RSP and Bersatu. Bersatu launched its food park as part of the whole project last weekend. The rest of the park comprise residential, commercial and industrial developments.

2. Local jewellery company Tarng Chern Holdings signed an agreement in May 1994 with the Yantai municipal government to develop the 66-hectare Yantai Singapore International Commercial Distripark in Shandong province. The development will include a hotel, recreation and exhibition centre, a commercial centre, residential lots and a medical centre.

3. A working group under the Singapore-Shandong Business Council (SSBC) has identified its first project in China — upgrading container transportation and warehousing in Qingdao City. The working group comprises five Singapore logistics companies, led by Asia Pacific Logistics Services Pte Ltd, a member of the Singapore Technologies group. The other four are Haw Par Brothers International, Pacific International Lines, Poh Tiong Choon Holdings and Sembawang Express. The upgrading project, worth some US$25 million, will be carried out jointly with China state-owned Sinotrans Shandong Company.

4. GATX [expansion unknown] Terminals (Pte) Ltd and Sinochem Shandong have signed an agreement to develop a port terminal project in Lanshan. GATX will take a 60% stake in its joint venture with Sinochem. The stake will cost US$15.6 million. The joint venture, which has yet to be formed, will buy an existing 26.39-hectare terminal in Lanshan port from a Sinochem Shandong subsidiary. GATX, set up in 1974, is half owned by GATX Terminals Corporation of the US. The other half is shared by the Port of Singapore Authority (33.3%) and Jurong Town Corporation (16.7%).

5. Fruit distributor Fook Huat Tong Kee Pte Ltd (FHTK) is building a 400,000 square meter industrial park in Longkou, a port-city. The industrial park will be FHTK's headquarters where it grades, packs and stores the fruits it sources from local growers.

6. TIBS Holdings has formed a 50-50 joint venture in China to operate a string of transport and tourist-related businesses in the province of Shandong. The company said the businesses include taxis and inter-city coaches, car rental, a petrol station, a car workshop, and a spare parts centre.

7. Homegrown Megaway Group has invested US$155 million in Shandong, out of which US$100 million is to build an Asia Technology Park in Qingdao.

8. Lim Kah Ngam group signed a joint venture agreement in May 1994 with Qingdao Aviation Real Estate Development Company to build a US$28.7-million, 470-room hotel in Qingdao.

Other investors include Hwa Hong Corp, Pan United Corporation, Prima, Kheng Guan, York Pacific Holdings, Long March Holdings, Teo Teck Huat group and Third Dragon Development.

Indonesia

Medical Contingent Returns From Bosnia

BK0106102095 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 1 Jun 95

[FBIS Translated Text] The 14th Garuda contingent arrived at Jakarta's Sukarno-Hatta Airport yesterday after serving in the UN peacekeeping force in Bosnia-Herzegovina for over six months. The 249-man contingent arrived at about 0900 West Indonesian Time aboard a DC-10.

It was welcomed by Major General Wiranto, commander of the Jakarta Regional Military Command, and other military officers. Maj. Gen. Wiranto said the 14th Garuda contingent, led by Lieutenant Colonel Herdadi, is the first ABRI [Armed Forces of the Republic of Indonesia] medical team to serve overseas. The medical team included two surgeons, one anesthesiologist, and one internist.

East Timor Troops Probe Flight of Refugees

BK3105073495 Hong Kong AFP in English 0519 GMT 31 May 95

[FBIS Transcribed Text] Sydney, May 31 (AFP) — Indonesian troops in the East Timor capital of Dili have started door-to-door questioning of residents about 18 refugees who fled to Australia this week, a spokesman for the East Timorese resistance movement said Wednesday.

The 15 men, two women and a baby who landed in the northern port of Darwin aboard a leaking boat early Tuesday were the first East Timorese refugees known to have fled here since the former Portuguese colony was invaded in 1975.

They are said to have included survivors of the 1991 Dili massacre who had been subjected to imprisonment, "constant persecution and torture" by Indonesian security forces, although this assertion has been rejected by Indonesia.

A Darwin-based representative of the East Timorese resistance movement, Jose Gusmao, said he had been in contact with East Timor on Tuesday and was told that more troops were pouring into Dili.

"They've been searching from house to house, inquiring of people about the escape of the (boat people)," he said, adding that the telephone call was cut off before he could ask about possible arrests.

Gusmao also rejected a suggestion by Jakarta that the arrival of the boat people amounted to a publicity stunt aimed at embarrassing Indonesia.

He said he had been unaware until Saturday of the group's departure last Wednesday and had been advised of their flight so that the Darwin community could prepare for the group's arrival with "humanitarian and legal assistance".

A statement from the Indonesian foreign ministry on Tuesday suggested their arrival in Australia aimed at discrediting Indonesia ahead of talks on East Timor in Europe.

It said every time an event important to Indonesia was about to take place, some activity "designed to attract international attention and to embarrass Indonesia is cleverly staged by the country's detractors."

East Timorese and their supporters are due to meet in Austria from Friday to next Tuesday as part of UN-sponsored negotiations between Indonesia and Portugal aimed at striking an internationally acceptable solution to the issue.

The Indonesian statement added that "while anti-Indonesian activists are claiming that some of these are victims of torture, the Australian authorities have found them to be in 'pretty good health'."

It also warned Indonesia would not be discouraged "from vigorously pursuing the economic and social development of East Timor", an effort it claimed was "fully supported" by the overwhelming majority of its people.

Hundreds of thousands of people are said by resist@nce leaders and some independent observers to have died from violence, disease or malnutrition during the nearly 20-year occupation of East Timor, which was annexed by Indonesia in July 1976.

The massacre by Indonesian troops of up to 200 East Timorese civilians at Dili's Santa Cruz cemetery on November 12 1991, was described by a senior Indonesian minister, B. J. Habibie, in Canberra this week as "an accident.

East Timor Governor Discusses Human Rights

BK3105124195 Jakarta MERDEKA in Indonesian 27 May 95 p 6

[FBIS Translated Excerpt] Numerous discussions were held in preparation for the upcoming meeting between East Timor residents who are for or against the integration of East Timor. Discussions were also held regarding the proposal to establish a human rights institution in East Timor as part of the effort to monitor human rights violations.

The province, which is situated at the farthest end of the Republic of Indonesia, has definitely and frequently become a topic for criticism both internally or externally — even more so after a debate held by Ramos Horta, the leader of the anti-integration of East Timor, was carried by BBC London.

The following is MERDEKA's coverage of opinions regarding the situation and developments in East Timor.

A human rights institution (National Human Rights Commission) is needed in districts such as East Timor so the public can voice their complaints concerning human rights violations to the relevant authorities.

Speaking to reporters at the National Defense Institute yesterday, East Timor Governor Abilio Osirio Soares said: "The public went to the ICRC (International Red Cross Committee) to submit their complaints. Why don't we set up our own institution, which will discourage our people from going there, to submit their complaints?"

However, he was still unsure as to when such an institution would be established even though discussions were held with the National Human Rights Commission and the latter had requested the provincial government to choose a place for the institution.

He said the establishment of the institution was proposed in order to discourage people from submitting their reports to irrelevant places that have nothing to do with such issues. Up until now, the people have submitted numerous complaints to either foreign institutions, such as the ICRC, or to the bishop.

[MERDEKA] Will the people accept the establishment of such an institution?

Replying, just before attending the National Defense Institute's 30th founding anniversary ceremony, he said: "Oh! The establishment of such an institution will greatly depend on its actions and activities and whether such activities or actions are relevant. The people themselves will determine the need for such an institution."

[MERDEKA] Can human rights violations be overcome with the establishment of such an institution?

[Soares] Yes, that is what we hope for. With the existence of a human rights institution, even I shall be subjected to action if I were to violate human rights.

When asked if society trusted the bishop more instead of an institution, Abilio replied that the people came to the bishop not because they wanted to submit their complaints but only to seek him on matters pertaining to correspondence.

Speaking after attending the ceremony, Soares said: "We are Catholics. Therefore, we need to register any births via letters of baptism. Therefore, the bishop is needed for such purposes."

[MERDEKA] Will not relations between the bishop and society be strained should such an institution be established?

[Soares] Why should it be so? No, everyone has his or her own freedom. People come to the bishop because they need consolation. If a person has anything to do with the government, then he would definitely go to the National Human Rights Commission. The establishment of the institution will definitely lessen the bishop's burden of attending to the people's problems."

He added that the establishment of the institution will depend on the president's decision because he had stated it was unnecessary to set up a human rights department. Therefore, such an institution will not be established.

According to him, the two sides — the church and human rights commission — should jointly cooperate to deal with the numerous public complaints submitted to church authorities.

Soares said: "Nonetheless, the province needs an institution, which can concentrate its efforts on solving domestic problems and will also have direct access to the local community. Why should the central authorities deal with these matters alone? Should other provinces demand the establishment of similar institutions, then the decision rests with the provincial authorities. This can be done if the local authorities call for such institutions to be established."

Concerning the criteria for potential workers for the East Timor human rights department, Abilio stressed a person's credibility and trustworthiness as important elements. Then only will the people have faith in submitting their complaints to such a person.

He said: "If a person is unfamiliar to the people and he is not their local representative, then it will be a bit difficult."

According to him, he had previously made this suggestion to the National Human Rights Commission to establish a branch in East Timor. Abilio said: "I also asked the commission to investigate. Instead, foreigners came to investigate. I propose that the National Human Rights Commission should come."

Soares said there was nothing to worry about regarding the discussions held by East Timor residents on the issue of the province's integration.

According to him, the meeting, which was scheduled to be held in June, will not discuss East Timor's status but will only be a normal and cordial meeting.

[MERDEKA] What about antiintegration leaders such as Ramos Horta, who speaks frequently about political issues?

[Soares] We will not be influenced by anyone. There is no cause for worry if he tries to impose his influence. Why was it not mentioned that we also imposed our influence on him? Actually, I am capable of influencing him because I am the person who meets and deals with the people daily — not him. I am the person who truly knows what the people actually want and certainly not him. Therefore, why should I be afraid of him? I am absolutely not afraid to face even one thousand Ramos Hortas.

[MERDEKA] Has Abilio Araujo agreed to integration?

[Soares] I don't know and I don't believe he will because he is capable of changing his decision —just like morning turning into night. He is politically tricky.

[MERDEKA] There was report that there were considerations that he should not meet the president?

[Soares] As a lawful citizen, I have the right to ask the president not to meet him because it could aggravate our political situation. As far as I am concerned, this is untrue but I will not remain silent. If I should fail, then what is the use of maintaining my position as governor. Yes, I listen to the people, including those in the rural regions. We should stand united in asking the president not to give in to anything irrelevant.

[MERDEKA] What is the reason?

[Saores] First, he is a foreign national and why should the president accommodate him? Is he not Portuguese? It would be better for the president to meet the Fretelin [Front for an Independent East Timor] members who are still residents of East Timor. As for me, it would be better if I receive him as a foreigner.

[MERDEKA] Toward which course will the upcoming meeting be directed at?

[Soares] It all depends because it is a UN-sponsored meeting. The meeting will decide if there is a need for more meetings or otherwise.

[MERDEKA] When is the meeting scheduled to be held?

[Soares] According to a statement, it will be held on 2 June.

[MERDEKA] According to a report, is it true that the bishop will also attend the meeting?

[Soares] Oh, yes! The bishop will attend the meeting as a supporter of integration. However, he will attend the meeting as a neutral person and not side with any party. According to the ambassador to the Vatican, the bishop will not be on any side. This is the best position for the bishop.

Speaking to MERDEKA in an interview, F.X. Lopes Da Cruz, the roving ambassador, said the development in bilateral cooperation has been good between the Republic of Indonesia and Portugal despite the lack of material assistance by Indonesia toward such a development. The country used its own strength to lobby the mass media, government, and the Portuguese parliament. Speaking amid the appointment of a new secretary general to the Foreign Ministry, he said: "The mass media in that country is more interested in cajoling Indonesia. Sometimes, they do not disburse information on East Timor incidents to the public. They only inform the public of such incidents based on their own discretion." According to him, the Portuguese community still supports the government's stand that "East Timor still remains a part of their country."

When the London BBC interviewed him on the debate with Ramos Horta, Lopes said: "I do not have much to tell because the debate mainly centered on East Timor in general, including political issues. I feel that it would be better for us to meet and hold a dialogue before a situation arose warranting a conference where a larger contribution of probably more conflicting opinions would be needed to solve the issue." However, he said the debate was necessary toward getting public opinion but it should not necessarily become a method for settling the issue. [passage omitted]

Human Rights Group To Open Office in Dili

BK3105073895 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 31 May 95

[FBIS Translated Text] The National Commission on Human Rights will soon establish an office in Dili, East Timor. Speaking in Jakarta, Marzuki Darusman, vice chairman of the commission, said the branch office in

Dili will initially have a limited number of personnel. He said the establishment of the commission's office in Dili will enable the East Timorese people to have another means of expressing their voice besides the Roman Catholic Church and the International Red Cross Committee. The plan to establish the office in Dili has been discussed comprehensively by the commission, East Timor Governor Abilio Jose Soares and local military commanders.

Vietnam

Le Duc Anh, W.B. Richardson Discuss MIA's

BK3105165995 Hanoi VNA in English 1633 GMT 31 May 95

[FBIS Transcribed Text] Hanoi VNA May 31 — President Le Duc Anh has acclaimed endeavours all American Vietnamese associations have made to help Vietnam in the search for Vietnamese listed as missing in action during the war.

Le Duc Anh also told William B. Richardson, member of the House of Representatives of the US Congress, who is now on a visit to Vietnam, that Vietnam would continue trying its best to work together with the United States in the MIA question for it is a humanitarian issue.

He also appreciated the role played by the US congressmen in their contined efforts to contribute to speeding up full normalization of relations between Vietnam and the United States for the benefits of each country, and for peace, stability and development in the region.

W.B. Richardson, on behalf of the US Congress and government, thanked the Vietnamese people and government for their effective assistance and cooperation with the US side in this regard.

William B. Richardson, who is also vice-chairman of the American Democratic Party and deputy head of the group of congressmen from the Democratic Party at the House of Representatives, also expressed the US side's continued cooperation with Vietnam in the search for Vietnamese MIA as well as the American people's desire for promoting cooperation with Vietnam in economic, commercial, educational and cultural areas in a bid to help Vietnam in its national reconstruction.

The same day, National Assembly Deputy Chairman Dang Quan Thuy also received the visiting US congressman.

Dang Quan Thuy welcomed the visit, the second by William B. Richardson himself, as an opportunity to enhance mutual understanding between the two parliaments.

Exhibition Opens on 'Anti-U.S. Resistance War'

BK3105130595 Hanoi VNA in English 0630 GMT 3 May 95

[FBIS Transcribed Text] About 400 original exhibits collected from the Vietnamese people's 20-year anti-U.S. resistance war for national salvation are now on display.

The exhibits reflect the country's aspiration for peace and national unification, defending and building of the northern rear, the southern front's victories over the U.S. aggressors, the world's support for the Vietnamese, and the great victory of spring 1975.

The exhibition was jointly organized by the Revolution Museums of Vietnam, Ho Chi Minh City, Long An and Tay Ninh Provinces.

Activities Mark 20th Anniversary of 'Liberation'

BK3105130895 Hanoi VNA in English 0630 GMT 27 Apr 95

[FBIS Transcribed Text] An exhibition of paintings, statues and collection of sketch depicting the resistance war opened in Ho Chi Minh City yesterday morning on the 20th anniversary of the liberation of South Vietnam.

On display are 241 works by 127 painters including 18 women. Most of them are oil lacquer and [word indistinct]. It is also made public at the exhibition a collection of more than 800 sketches by 48 painters who had participated in the U.S. resistance war.

A get-together was held in Hanoi the same day by SAIGON GIAI PHONG (LIBERATED SAIGON) newspaper on its 20th founding anniversary (May 5).

Present at the function were Politburo member and Secretary of Hanoi Party Committee Pham The Duyet; Head of the Culture and Ideology Commission of the Party Central Committee Ha Dang; Minister of Culture and Information Tran Hoan; Minister and Head of the Government Office Le Xuan Trinh, and others.

Speaking at the event, Mr. Duyet and Mr. Dang highlighted the progresses of SAIGON GIAI PHONG in information renovation.

Vo Van Kiet on Official Visit to Luxembourg

Delegation Named

BK2805134695 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 27 May 95

[FBIS Translated Text] Today, Prime Minister Vo Van Kiet and his wife leave Hanoi for official friendship visits to Luxembourg, Denmark, Norway, Finland, and

Sweden at the invitations of the prime ministers of the aforementioned countries.

The prime minister is accompanied by Nguyen Manh Cam, minister of foreign affairs; Nguyen Xuan Trinh, minister and chief of the Government Office; Ho Te, minister of finance; Professor Doctor Nguyen Duy Qui, director of the National Center of Social Science and Humanities; Vo Hong Phuc, deputy director of the State Planning Committee; Nguyen Manh, deputy director of the State Committee for Cooperation and Investment; Mai Van Chau, deputy minister of trade; Tran Thi Kim Tuyen, deputy minister of public health; Chu Tan Ngoan, deputy minister of Science, Technology, and Environment; Nguyen Van Phan, deputy minister of justice; Ta Van Hoc, deputy minister of marine products; Trinh To Tam, deputy minister of labor, war invalid, and social welfare; Le Van Tay, deputy state bank governor; Vo Thi Thang, deputy chairwoman of the Vietnam Women's Union; Professor Doctor Dao Trong Duc, rector of the Institute of Chemistry under the National Center of Natural Science and Technology; and Nguyen Trinh, assistant to the prime minister.

The prime minister is also accompanied by Trinh Ngoc Thai, our country's ambassador to the Republic of France and Luxembourg and Pham Quoc Bao, our country's ambassador to the Kingdom of Sweden and the four north European countries. The prime minister is also joined by a group of 16 businessmen from different sectors such as production, business, energy, garment making, ship-building, telecommunications, leather shoe, power transformer manufacturing, civil aviation, and vegetables and fruit processing.

Reception Held Upon Arrival

BK2905062295 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 28 May 95

[Telephone report by Dinh Khai from Luxembourg]

[FBIS Translated Text] Dear friends: At the invitations of the prime ministers of Luxembourg, Denmark, Norway, Finland, and Sweden, Prime Minister Vo Van Kiet left Hanoi yesterday morning to pay official visits to the countries.

Accompanying the prime minister were Foreign Minister Nguyen Manh Cam; Government Office Minister Le Xuan Trinh; Finance Minister Ho Te; Nguyen Duy Quy, director of National Institute for Social and Human Sciences; vice chairmen of State Planning Commission and State Commission for Cooperation and Investment; deputy ministers of Ministry of Science, Technology, and Environment, Ministry of Trade, Ministry of Maritime Products , Ministry of Labor, War Invalids, and Social Welfare, Ministry of Public Health; together with 16 businessmen from heavy and light industries, communications and transportation, post and telegraph, banking, and food processing.

After a twelve-and-a-half-hour flight from Noi Bai International Airport, the special airplane of Prime Minister Vo Van Kiet, his wife, and the delegation landed at Luxembourg Airport at 1600 local time or 2100 Hanoi time. An official reception was held at Luxembourg Airport with the most solemn formalities by the Grand Duchy of Luxembourg. National flags of Vietnam and Luxembourg flew under the warm sun. Luxembourg Prime Minister Jean-Claude Juncker greeted Prime Minister Vo Van Kiet, his wife, and the delegation at the door of their airplane while an Army band played a welcoming theme.

On the red carpet starting from the airplane door, Prime Minister Jean-Claude Juncker directed Prime Minister Vo Van Kiet to inspect the honor guard. The Army band played Vietnamese and Luxembourg national anthems. After the official reception at the airport, Prime Minister Jean-Claude Juncker sat in the same car with Prime Minister Vo Van Kiet to see him off to the guest house reserved for the delegation.

From the first moment of the visit, Prime Minister Jean-Claude Juncker welcomed and highly valued the first visit by Prime Minister Vo Van Kiet. He expressed his belief that the visit will be a success, which will open a new stage in multifaceted cooperative relations between Vietnam and Luxembourg.

Prime Minister Vo Van Kiet earnestly thanked the Luxembourg Government and prime minister for the visit to a beautiful country with a special situation in Europe. The prime minister wished this visit will strengthen and expand the cooperative relations between the two countries, as that responds to the time-honored traditions and interests of each country as well as for peace, stability, and development of the world.

In the afternoon, Luxembourg Foreign Minister Jacques Poos paid Prime Minister Vo Van Kiet a courtesy visit. In the evening, at the St Michel Palace in the center of the city, Prime Minister Jean-Claude Juncker and his wife hosted a banquet in honor of Prime Minister Vo Van Kiet, his wife, and other members of the delegation.

Dear friends, right at our first sight of Luxembourg, we found that this is a peaceful, well-organized, and well-disciplined country. From the airport to the city center, the roads are pretty good. Along the roads, we see the vivid green color of grass, trees, and many species of flowers. The streets are in very good order, clean, and beautiful. All of these first sights of Luxembourg and its people impress us deeply, and confirm our belief that the visit by Prime Minister Vo Van Kiet will be a success that will open a new chapter in Vietnamese-Luxembourg relations.

Welcomed by Prime Minister Juncker

BK2905140695 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 29 May 95

[Report by Dinh Khai]

[FBIS Translated Text] Dear friends, as already reported, yesterday evening, 28 May, at the Saint Michel Palace, Prime Minister Jean-Claude Juncker and his wife hosted a grand reception in honor of Prime Minister Vo Van Kiet and the other Vietnamese guests now on a visit to Luxembourg. Attending the reception, on the Luxembourg side were Chairman of the Chamber of Deputies Jean Spautz and many ministers, deputy ministers, and Luxembourg ambassador to Vietnam George Santer.

Speaking on this occasion, after warmly welcoming Prime Minister Vo Van Kiet and the other disguished Vietnamese guests to the Grand Duchy of Luxembourg, considering it to be a great honor for the people of Luxembourg, Prime Minister Jean-Claude Juncker pointed out: We belong to a different generations of people of Luxembourg who participated in the movement to support Vietnam's anti-foreign aggression struggle several decades ago and we have become mature thanks to those political activities. Historical realities have shown that the Vietnamese people are brave and that their bravery has been reflected not only in the struggle for national independence in the past but also in the cause of economic recovery and national reconstruction in recent years. The people of Luxembourg are proud of their Vietnamese friends and want to reiterate that now as well as in the future, Vietnam always deserves the admiration of the world people. The Luxembourg prime minister stressed: Luxembourg highly values the achievements that the Vietnamese people have scored in the renovation undertaking and is convinced that the correct renovation path chosen by Vietnam has brought about prosperity to its people. The traditionally friendly and cooperative ties between Luxembourg and Vietnam are enjoying bright prospects for development. The Luxembourg Government always attaches due importance to the strengthening and broadening of its friendly, cooperative, and mutually beneficial ties with Vietnam in all domains and stands ready to meet Vietnam's demands, especially in public health care.

In his reply speech, Prime Minister Vo Van Kiet expressed his pleasure to lead a high-level Vietnamese delegation for a first time visit to a beautiful and peaceful Luxembourg nation that is known for its long-lasting historic traditions and brilliant economic and scientific-technological achievements brought about by its people's diligent and creative work. Prime Minister Vo Van Kiet pointed out: The Vietnamese Government welcomes the Luxembourg Government's policy of strengthening and broadening its multifaceted relations with Vietnam. We note with pleasure that so far, bilateral relations have made a very positive turn. Both sides have exchanged many visits by delegations at different levels to promote friendship and mutual understanding between the two nations and peoples. Of late, we were pleased to welcome Prince Henri of the Grand Duchy of Luxembourg on his visit to Vietnam. The two sides signed a number of agreements to lay the legal basis for long-term cooperation and discussed measures to promote friendship and cooperation in accordance with the common trend of development of the times and for for the common interests of Vietnam and Luxembourg.

On this occasion, I would like to express the sincere gratitude of the Vietnamese Government and people to the Luxembourg Government and people for the valuable and practical assistance they have accorded Vietnam. For its part, Vietnam always attaches due importance to its multifaceted friendship and cooperation with Luxembourg and will do all it can to strengthen and develop bilateral ties.

Prime Minister Vo Van Kiet was convinced that the results of this visit would open a new stage of diversified, practical, and effective cooperation and further promote Vietnam-Luxembourg friendly and cooperative ties.

This morning, Prime Minister Jean-Claude Juncker held talks with Prime Minister Vo Van Kiet at the prime minister's palace. Also this morning, Chairman of the Chamber of Deputies Jean Spautz met and exchanged views with Prime Minister Vo Van Kiet at the building of the Chamber of Deputies. The Grand Duke of Luxembourg also received Prime Minister Vo Van Kiet at (?Beck) Palace this morning.

This afternoon, Prime Minister Vo Van Kiet and the comrades accompanying him toured (Kammeson Intertech) Company, which specializes in the production of steel frames for use in the construction of houses, workshops, and bridges in Luxembourg.

Discusses Ties With Juncker

BK3005150295 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 29 May 95

[FBIS Translated Text] This morning at the office of the Luxembourg prime minister, Prime Minister Vo Van Kiet and Prime Minister Jean-Claude Juncker held talks on the direction and measures to boost friendly and cooperative relations between Vietnam and Luxembourg in the future. At the end of the meeting as authorized by the two prime ministers, our Public Health Deputy Minister Tran Thi Trung Chien and Mr. Wohlfart, Luxembourg secretary of state for foreign affairs, signed a memorandum of understanding on Luxembourg granting Vietnam $1.25 million for a project aimed at enhancing our ability to store and maintain blood and blood products.

Also this morning, Prime Minister Vo Van Kiet paid courtesy visits to the chairman of Chamber of Deputies, Mr. Jean Spautz, and to the mayor of Luxembourg City. The prime minister also visited (?Kammeson Intertech) Company, a leading Luxembourg company specializing in production of metal frames for building and bridge construction. The prime minister expressed a wish to see the company's presence in Vietnam for cooperation and experience sharing with since it will help boost Vietnamese-Luxembourg traditional relations.

Meanwhile the ministers and deputy ministers who accompanied the prime minister also met with Luxembourg respective counterparts to discuss measures to develop cooperation and investment between the two countries. The wife of the prime minister visited a number of scientific centers that researches the application of anticorrosion methods for metal, and some historic sites in Luxembourg City.

Signs Cooperation Accord

BK3005125895 Hanoi Voice of Vietnam in English 1000 GMT 30 May 95

[FBIS Transcribed Text] Luxembourg is loaning Vietnam about $1.3 million to preserve blood samples in hospitals. An agreement was signed in Luxembourg on Monday [29 May] during Prime Minister Vo Van Kiet's visit to the country. The two prime ministers have just concluded talks on how to boost bilateral cooperation. The aid is to cover costs for the execution of a project boosting the capacity for preserving and storing blood samples in Vietnam's hospitals. It is the first visit to Luxembourg by the prime minister since the two countries established diplomatic relations in 1973. Mr. Vo Van Kiet's two-day visit to Luxembourg is the first leg of his five-country trip in the Nordic region. He is scheduled to arrive in Denmark on Tuesday [30 May] then proceed to Norway, Finland, and Sweden.

Ends Visit, Arrives Denmark

BK3105040495 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 May 95

[Recorded report by radio correspondent Dinh Khai]

[FBIS Translated Text] Dear friends: In the afternoon of 29 May in Luxembourg, Prime Minister Vo Van Kiet and Luxembourg Prime Minister Jean-Claude Juncker held a press conference at the conclusion of the official friendship visit to Luxembourg by Prime Minister Vo Van Kiet and other Vietnamese government officials.

At the beginning of the press conference, Prime Minister Jean-Claude Juncker said:

[Begin Juncker recording in unidentified language fading into Vietnamese translation] We are very pleased to inform you that we are honored to welcome His Excellency Prime Minister Vo Van Kiet to Luxembourg. As you all know, the Luxembourg Government has given particular attention to the strengthening and developing of cooperative relations with Vietnam for many years. We received His Excellency Foreign Minister Nguyen Manh Cam last October. On the Luxembourg side, Grand Duchy Henry, the Luxembourg economic minister, and the secretary of state for foreign trade and cooperation have visited Vietnam.

In past years, Vietnam has recorded important economic achievements, including an economic development rate that would surprise many people. Its inflation rate has been reduced significantly. The Vietnamese Government is implementing a very successive economic policy and we are studying this renovation policy.

In the talks with the SRV prime minister, we agreed that SRV-Luxembourg cooperation in the past has been very satisfactory. We realize that Vietnam and Luxembourg share the same views on many international issues. We welcome Vietnam playing an increasingly important role in the Southeast Asian region and we support the process of strengthening the relation between Vietnam and the European Union. Vietnam and Luxembourg pledge to further strengthen the cooperation process between the two countries, particularly in the medical field.

In that spirit, Luxembourg will provide Vietnam with financial assistance to transport and preserve blood and to restore and modernize a hospital. We confirm that we are ready to accept Vietnamese medical cadres for studies in our AIDS control center. We also would like to inform you that an agreement on aviation cooperation between the two countries will be approved by the Luxembourg Parliament in this summer session and that the bilateral talks to reach an agreement on the avoidance of double taxation will be held at the earliest time. Luxembourg also welcomes Vietnamese cadres coming here for research in the financial and banking fields. Therefore, we can conclude that the Vietnam-Luxembourg relation is progressing very well and we sincerely hope that what we have spoken about will become reality. The Luxembourg visit by His Excellency Prime Minister Vo Van Kiet is very successful and we can say that on this occasion, we have learnt many more things from our Vietnamese friends; and likewise the SRV prime minister and Vietnamese friends have probably understood more about Luxembourg, its land and people.

Speaking at the press conference, Prime Minister Vo Van Kiet expressed his views as follows: His Excellency the prime minister has just informed you of the results of our talks and of the issues of common concern. It can be said that we have reached a unanimity of views on all of the issues raised. We had limited time and a rather tight schedule but were very pleased with this visit because both sides achieved the expected results.

The Vietnamese Government delegation is very grateful to His Excellency the prime minister of Luxembourg for giving us the opportunity to visit this beautiful and hospitable nation of Luxembourg. We highly value the friendly and cooperative ties between Vietnam and Luxembourg. Our stay in Luxembourg has made very profound and beneficial impressions on us. What we have seen personally or through the direct exhange of views with the prime minister and the other Luxembourg leaders has filled us with real admiration for your national construction endeavors, which have led Luxembourg to the highest level of development. Not only has Luxembourg reached the highest level of economic development, but it has also assumed a particularly important role in Europe. This visit has filled us with even greater admiration for your determination to overcome all difficulties and to build Luxembourg into a prosperous country.

Luxembourg is not a big country with a large population and rich resources. Yet, you have turned your country into a prosperous and beautiful nation. This must be credited to the will of your people and the wisdom of your national leaders. It is certain that we will continue to study and learn from your national construction endeavors.

We sincerely thank the Luxembourg Government for its cooperation and effective assistance for Vietnam, not only currently but during those old days when Vietnam had to overcome many difficulties for national defense.

Dear friends, after Luxembourg Prime Minister Jean-Claude Juncker and Prime Minister Vo Van Kiet finished presenting the results of the friendship visit to Luxembourg by Prime Minister Vo Van Kiet and the Vietnamese Government delegation, many Luxembourg and Vietnamese journalists posed questions. The answers of Prime Minister Jean-Claude Juncker and Prime Minister Vo Van Kiet further clarified the potential and prospects of the increasingly fine development of bilateral relations.

Concluding the joint press conference, His Excellency Luxembourg Prime Minister Jean-Claude Juncker gave Prime Minister Vo Van Kiet a firm handshake while cheerfully telling everyone: Tomorrow, I will say goodbye not only to a prime minister but also to a personal friend. With that sentiment in mind, His Excellency the Luxembourg prime minister escorted Prime Minister Vo Van Kiet to the frontyard of the prime minister's palace and stopped for a while before saying farewell to the Vietnamese prime minister.

Dear friends, after two days of work, Prime Minister Vo Van Kiet, his wife, and members of our government delegation have successfully concluded their official friendship visit to the Grand Duchy of Luxembourg. A simple yet warm ceremony was held at Luxembourg Airport to bid farewell to Prime Minister Vo Van Kiet and the comrades accompanying him. Luxembourg Prime Minister Jean-Claude Juncker, Prime Minister Vo Van Kiet, and the Vietnamese guests walked on a red carpet leading to the ramp, flanked by two rows of guards of honor with their arms presented.

After a one-and-a-half-hour flight from Luxembourg, the special airliner with Prime Minister Vo Van Kiet, his wife, and the other members of our government delegation on board landed at Copenhagen Airport at 0930 this morning local time or 1430 Hanoi time, marking the start of an official friendship visit to the Kingdom of Denmark at the invitation of the Danish prime minister.

A ceremony was held at the airport according to the traditions of the host country to welcome Prime Minister Vo Van Kiet and the comrades accompanying him. Immediately after their arrival in Copenhagen, Prime Minister Vo Van Kiet and our government delegation were cordially received by Chairman of the Danish Chamber of Deputies (Erling Olsen). At the reception, Chairman (Erling Olsen) welcomed Prime Minister Vo Van Kiet's official visit to the Kingdom of Denmark. Prime Minister Vo Van Kiet thanked the Danish Government for creating conditions for him and the other Vietnamese guests to visit and learn from Denmark. He hoped that this visit would positively contribute to further promoting the friendly and cooperative ties between the two countries.

Also during this first morning in the Kingdom of Denmark, Prime Minister Vo Van Kiet and our government delegation visited the Danish Industrial Confederation. At noon, the Queen of Denmark and the Duke hosted a banquet at the (Presenbeck) Palace in the capital city of Copenhagen to welcome Prime Minister Vo Van Kiet and his wife.

Article Reviews Relations With Luxembourg

BK2905025995 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 May 95

[Unattributed article]

[FBIS Translated Excerpt] [Passage omitted] The Luxembourg-Vietnam cooperative relations began to develop successfully after the visits exchanged by the Luxembourg economic minister and Vietnamese Foreign Minister Nguyen Manh Cam in 1994.

In his Luxembourg visit, Foreign Minister Nguyen Manh Cam held talks with the Luxembourg deputy prime minister and foreign minister. The deputy prime minister was once a journalist who wrote articles supporting Vietnam in its struggle for national independence. In the meeting with Foreign Minister Nguyen Manh Cam, he welcomed Vietnam's expansion of diplomatic relations with the international community, the United States, and with the EU. He promised Luxembourg's active support for an economic cooperation agreement between Vietnam and the EU, which will be signed at the end of this year, since Luxembourg wishes to contribute its part to the renovation undertaking of Vietnam.

The meetings, an aviation cooperation agreement, the memorandum on Luxembourg aid to a power project in Nghi Loc District in Nghe An, and other agreements signed during the visit marked the success of the visit and promised further positive development of the cooperative relations between Vietnam and Luxembourg. To date, many cooperation and investment projects have been implemented in Vietnam in various fields of trade, communications and transportation, heavy industry, and energy. In 1994, Luxembourg ranked 24th among countries investing in Vietnam with an investment project and an industrial project worth $6.6 million.

In early 1995, a high ranking Luxembourg delegation led by Prince Henri de Luxembourg paid a visit to Vietnam. During the visit, a framework agreement on economic cooperation was signed between the two governments.

With the visit to the Grand Duchy of Luxembourg 28 to 30 May by Vietnamese Prime Minister Vo Van Kiet, the cooperative relations between the two countries will certainly be strengthened.

Radio Welcomes Full ASEAN Membership

BK0106032995 Hanoi Voice of Vietnam in English 1000 GMT 30 May 95

[Station commentary]

[FBIS Transcribed Text] ASEAN senior officials have just met in Brunei to discuss procedures and protocols to admit Vietnam as full member of ASEAN in July this year. Here is our commentator opinion:

The Vietnamese deputy foreign minister, Vu Khoan, was invited to attend the Brunei meeting. Mr Khoan said everything was ready for the admission of Vietnam into ASEAN at the coming summit in July. Prior to that summit, ASEAN countries will issue a statement welcoming Vietnam's joining the association. At the official admission ceremony, Vietnamese Foreign Minister Nguyen Manh Cam will be invited to make a speech followed by the hosting of the Vietnamese flag.

According to Mr Khoan, Vietnam's joining ASEAN has a great significance as ASEAN is a regional organization with a high global prestige. He hopes that after becoming an ASEAN member, Vietnam's prestige in the world will also be hightened. However, Vietnam has to do its best to enhance its strength and capacity to further consolidate its position. New opportunities will be available for Vietnam to expand its cooperation with other countries but there are also many challenges.

For a year, Vietnam has actively prepared to become a full member. It has trained its own specialists with a knowledge about the association and it participated in some initial activities of ASEAN. However, to fully participate in all activities, Vietnam will have to continue to learn more and adopt itself to the new situation. It is a natural progression, and Vietnam will pay attention to economic cooperation among ASEAN member countries.

Le Duc Anh Visits Cao Bang Province

BK0106053395 Hanoi VNA in English 1303 GMT 31 May 95

[FBIS Transcribed Text] Hanoi VNA May 31 — President Le Duc Anh paid a visit to the northern highland province of Cao Bang from May 29-30 and worked with local officials on its socio-economic development.

He called on a number of ethnic minority families in Pac Bo which was the base of Vietnam's revolutionary forces before the August 1945 uprising, Ha Quang District and the Cao Bang Iron and Steel Company.

Speaking in a working session with the provincial senior officials, the president highly valued the initial efforts of the administration, party organization and people of Cao Bang in making considerable socio-economic achievements in recent years. Cao Bang's arable land accounts for only nine percent of the province's natural area, but thanks to applying various measures for intensive cultivation it has got a per capita food output of 300 kg a year.

The industrial and handicraft production in Cao Bang achieved an annual increase of 11 percent. During the visits, President Le Duc Anh especially praised the staunch revolutionary tradition and the faithfulness of the ethnic minority people in the struggle for national independence and freedom in the past. He said he hoped that the tradition would be further strengthened in the present process of national construction.

Vietnam Aviation Corporation Established

BK0106043195 Hanoi VNA in English
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[FBIS Transcribed Text] Hanoi VNA May 31 — The prime minister signed a decision on May 27 to set up the Vietnam Aviation Corporation (AviaVietnam) on the basis of Vietnam Airlines and other Vietnamese units working in the aviation industry.

The corporation has the tasks to carry out business and service of passengers and cargoes by means of aviation in and out of the country and to build development plan and to join other economic enterprises, both home and foreign to develop the Vietnamese aviation industry in accordance with the Vietnamese Government's policy and laws.

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